

Inspector General

United States
Department of Defense



Hiring Practices Used To Staff the Iraqi Provisional Authorities

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Acronyms and Abbreviations

C.F.R.	Code of Federal Regulations
CPA	Coalition Provisional Authority
DA&M	Director of Administration and Management
DCC-W	Defense Contracting Command-Washington
IG	Inspector General
NSPD	National Security Presidential Directive
OPM	Office of Personnel Management
ORHA	Office of Reconstruction and Humanitarian Assistance
SF	Standard Form
SOFIA	Support Our Friends in Iraq and Afghanistan
U.S.C.	United States Code
USD(P)	Under Secretary of Defense for Policy
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
WHLO	White House Liaison Office
WHS	Washington Headquarters Service



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JAN 16 2009

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR POLICY
UNDER SECRETARY OF DEFENSE FOR PERSONNEL
AND READINESS
SPECIAL ASSISTANT TO THE SECRETARY OF DEFENSE
FOR WHITE HOUSE LIAISON
DIRECTOR, ADMINISTRATION AND MANAGEMENT


SUBJECT: Hiring Practices Used To Staff the Iraqi Provisional Authorities
(Report No. D-2009-042)

We are providing this report for review and comment. We considered client comments when preparing the final report. We reissued the draft report to provide a complete response to the Senators' concerns and give the clients an opportunity to comment. The reissued draft report incorporated the audit results and answers to specific questions posed by Senate staffers.

DoD Directive 7650.3 requires that all recommendations be resolved promptly. We received comments from the Under Secretary of Defense for Policy and the Under Secretary of Defense for Personnel and Readiness, partially agreeing with the recommendation. The comments of the Under Secretary of Defense for Policy met the intent of the recommendation, but we request additional comments from the Under Secretary of Defense for Personnel and Readiness on the final report by February 13, 2009, providing a plan of action for implementing the recommendation.

Please provide comments that conform to the requirements of DoD Directive 7650.3. If possible, send client comments in electronic format (Adobe Acrobat file only) to AudROS@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We cannot accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to Mr. Robert F. Prinzbach at (703) 604-8907 (DSN 664-8907).



Joseph R. Oliva, CPA
Assistant Inspector General
Readiness and Operations Support



Results in Brief: Hiring Practices Used To Staff the Iraqi Provisional Authorities

What We Did

This report responds to the concerns of Senators Schumer, Lautenberg, and Durbin regarding the practices and authority DoD used to hire civilians to work for the Office of Reconstruction and Humanitarian Assistance (ORHA) and the Coalition Provisional Authority (CPA). The report addresses the Senators' concerns over the designation of appointments as political versus civil service, the authority for making the appointments, and the qualifications of those hired. Specifically, the report answers questions regarding who was hired, how personnel were recruited and selected, and how well skill sets matched job requirements. (See Appendix D.)

We reissued the draft report to provide a complete response to the Senators' concerns and allow the clients an opportunity to comment. The reissued draft report incorporated the audit results and answers to specific questions posed by Senate staffers. We considered client comments when preparing the reissued draft report. The complete text of these comments is in the Client Comments section.

What We Found

Rapidly staffing a temporary interagency organization in a war zone was a unique and urgent task. DoD used the appropriate employment and compensation authority established in 5 U.S.C. 3394 and 5 U.S.C. 3161 for staffing ORHA and CPA. DoD hired 366 civilians, none of whose appointments were Schedule C (commonly referred to as political appointments). DoD also deployed 862 detailed civilians to ORHA and CPA. However, the Department did not fully account for these civilians. DoD can better prepare for future contingencies by establishing a framework to document hiring actions to ensure civilians are promptly assigned, deployed, and accounted for.

DoD staffed ORHA and CPA with approximately 2,300 members of the military, detailed civilians, contractors, and newly hired civilians. Using an inconsistent process, DoD relied largely on senior DoD officials and on the CPA Administrator and his senior advisory staff to recruit and select civilians. Of the 366 civilians hired for whom we could locate a resumé and either an appointment memorandum or a position description, we concluded that 263 civilians were at least partially qualified for the position they were hired to fill. We did not review whether the civilians hired were qualified for the duties they performed when deployed to Iraq.

What We Recommend

The Under Secretary of Defense for Personnel and Readiness, in coordination with the Under Secretary of Defense for Policy, should establish a framework that enables DoD effectively to staff contingencies such as humanitarian, stabilization, and interagency operations with civilians and defines departmental roles and responsibilities for supporting these operations.

Client Comments and Our Response

The Under Secretary of Defense for Policy and the Under Secretary of Defense for Personnel and Readiness partially concurred with the recommendation. The comments of the Under Secretary of Defense for Policy met the intent of the recommendation. The Special Assistant to the Secretary of Defense for White House Liaison also provided comments. The full text of these comments appears in the Client Comments section of the report. We request additional comments from the Under Secretary of Defense for Personnel and Readiness. See the recommendation table on the back of this page.

January 16, 2009

Recommendation Table

Client	Recommendation Requires Additional Comment
Under Secretary of Defense for Policy	No
Under Secretary of Defense for Personnel and Readiness	Yes

Please provide comments by February 13, 2009.

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Introduction

Objective

We initiated this audit in response to a request from Senators Schumer, Lautenberg, and Durbin. The Senators were concerned about the hiring practices DoD used to staff the Coalition Provisional Authority (CPA) and other positions in Iraq.

The CPA, which ran Iraq's government from April 2003 to June 2004, employed approximately 1,500 people in Baghdad. Recent reports indicate that some of these employees lacked any experience in the areas they were working. For example, A 24-year old who had no background in finance was charged with opening Baghdad's stock exchange. These reports are deeply troubling especially in light of the Iraqis' on-going struggle to maintain their security and establish a democratic government.

Specifically, the Senators requested that our review examine:

the appropriateness of designation [sic] these [Coalition Provisional Authority] positions as political rather than civil service positions, and the qualifications of those sent to Iraq to work in the Coalition Provisional Authority. . . [and] identify the authority for hiring this large number of personnel as non-civil service designees.

See Appendix B for a copy of the request. In addition, Senators Kennedy, Boxer, Clinton, Akaka, Feingold, Dorgan, Feinstein, Levin, Biden, and Reid; as well as, Congressman Waxman and Hoyer all expressed interest in the hiring practices used to staff CPA. To clarify the scope of this request, we met with Senate staffers and agreed to address the following questions: Who was hired? How were personnel recruited and selected? Were skill sets matched to job requirements? Our audit objective was to evaluate the hiring practices that DoD used to staff the provisional authorities supporting the Iraqi Government from April 2003 through June 2004.

This report addresses the hiring practices and authority DoD used to hire civilians to work for the provisional authorities supporting the Office of Reconstruction and Humanitarian Assistance (ORHA) and CPA from January 2003 through June 2004. The report concludes that no newly hired civilians were Schedule C (commonly referred to as political appointments). In addition, the report responds to the Senators' specific concerns about a 24-year-old who opened the stock exchange, and answers the questions posed by Senate staffers. Our responses are in Appendix C and Appendix D, respectively.

To respond to this request, we examined the process DoD used to appoint civilians to ORHA and CPA. We interviewed key individuals involved in recruitment, selection, and hiring. In addition, we identified individuals who worked for ORHA and CPA and reviewed resumés, position descriptions, appointment memoranda, and personnel actions.

We also met with DoD officials and identified initiatives underway that will more effectively address civilian staffing for future contingencies. See Appendix A for a discussion of the scope and methodology and prior coverage related to the objective.

Background

On January 20, 2003, the President signed National Security Presidential Directive (NSPD) 24, for postwar Iraq reconstruction. On January 21, 2003, the Secretary of Defense assigned the Under Secretary of Defense for Policy (USD[P]) the primary responsibility for implementing NSPD 24. To carry out its responsibility, DoD established ORHA as a temporary organization to become the planning office to provide reconstruction and humanitarian assistance to postwar Iraq. USD(P) requested the establishment of a Director of ORHA position in February 2003. OPM approved the Department's selection for this position on March 11, 2003.

ORHA focused on repairing the infrastructure of Iraq, lessening dependence on humanitarian assistance, and rejuvenating the Iraqi economy. According to the Director of Personnel for ORHA, the ORHA team arrived in Kuwait in March 2003 at the onset of Operation Iraqi Freedom. The team moved into Iraq on April 16, 2003, and reported on the instability of the Iraqi Government infrastructure and security conditions. ORHA was not configured to reestablish the Iraqi Government infrastructure or provide security. In mid-April 2003, the Commander of the Coalition Forces established CPA to provide security and stability in Iraq.

A Presidential envoy was appointed to Iraq on May 9, 2003, and 4 days later, the Secretary of Defense announced the appointment of the Presidential envoy to Iraq as the CPA Administrator. CPA was intended to operate as a transitional Iraqi Government until the existing Iraqi Government stabilized. In addition to governance, CPA was responsible for providing humanitarian aid, reconstruction, and staffing assistance to Iraqi ministries. It was also charged with stimulating the Iraqi economy. On June 16, 2003, the Deputy Secretary of Defense dissolved ORHA and directed CPA to assume the functions, responsibilities, and legal obligations of ORHA. On May 11, 2004, the President signed NSPD 36, "United States Government Operations in Iraq," directing the termination of CPA by June 30, 2004. CPA existed until June 28, 2004, when it disbanded and its authority and responsibilities were transferred to the Iraqi Reconstruction and Modernization Office under the U.S. Department of State and to the Project and Contracting Office under DoD.

Employment Authority for a Temporary Organization

DoD used Section 3394, title 5, United States Code (5 U.S.C. 3394), "Noncareer and Limited Appointments," to assign the initial six senior ORHA leaders. 5 U.S.C. 3394 states that each limited emergency appointee shall meet the qualifications of the position to which appointed and may not be appointed without the prior approval of the exercise of such appointing authority by the Office of Personnel Management (OPM). A Senior Executive Service limited emergency appointment is defined as an appointment to a Senior Executive Service position that is established to meet a bona fide, unanticipated, urgent need and must not exceed 18 months.

DoD used 5 U.S.C. 3161, “Employment and Compensation of Employees,” to assign 360 personnel to ORHA and CPA. This section of the United States Code establishes the employment and compensation authority for a temporary organization, which it defines as an organization established by law or Executive order for a defined period not to exceed 3 years and for a specific purpose. This authority generally is used to fill boards or commissions because it allows the rapid hiring of civilians from outside the Federal Government without competing the position under formal job classifications. Under this authority, the head of the temporary organization may staff its organization by:

- appointing individuals outside the Federal Government to excepted service¹ positions;
- accepting personnel detailed from other Federal organizations;
- hiring experts and consultants under 5 U.S.C. 3109, “Employment of Experts and Consultants; Temporary or Intermittent;” and
- accepting volunteers.

DoD used the appropriate employment and compensation authority established in 5 U.S.C. 3394 and 5 U.S.C. 3161 to staff ORHA and CPA.

Review of Internal Controls

DoD Instruction 5010.40, “Managers’ Internal Control Program Procedures,” January 4, 2006, states that a control deficiency exists when the design or operation of a control does not allow personnel to prevent or detect fraud, waste, abuse, or mismanagement on a timely basis. DoD’s staffing process lacked the necessary control activities. Specifically, DoD did not use a consistent process or maintain appropriate documentation supporting its staffing efforts for ORHA and CPA. The lack of these control activities indicates an internal control weakness. Although, ORHA and CPA were temporary organizations and no longer exist, the need for properly maintaining documentation while staffing temporary interagency organizations still exists. However, by implementing the recommendation contained in this report, DoD will be able to effectively staff future humanitarian, stabilization, and interagency operations and define departmental roles and responsibilities for supporting those operations.

¹ Excepted service positions are outside the competitive service and Senior Executive Service, meaning that applicants for excepted service positions are not subject to OPM’s competitive hiring process.

Civilians in the Provisional Authorities

For DoD, rapidly staffing a temporary interagency organization in a war zone was a unique and urgent task. DoD used the appropriate authority under 5 U.S.C. 3394 and 5 U.S.C. 3161 to assign personnel to ORHA and CPA. During the agencies' 16-month existence, DoD hired 366 new civilians, none of whose appointments were political, and deployed 862 detailed civilians to ORHA and CPA. However, the Department did not fully account for these civilians. DoD should prepare for future contingencies and establish a framework to document fully all hiring and staffing actions to ensure civilians are appropriately and promptly assigned, deployed, and tracked.

Personnel Assigned

In response to NSPD 24, DoD staffed ORHA with a mix of military personnel, detailed civilians, contractors, and newly hired civilians. DoD used an inconsistent process to recruit and select civilians to work for ORHA and CPA, temporary interagency organizations, in a war zone. DoD relied largely on senior DoD officials and on the CPA Administrator and his senior advisory staff.² See Appendix D for details on the involvement of these offices in the ORHA and CPA hiring process. DoD also received support from other Federal agencies, which detailed personnel willing to deploy to Iraq in support of its humanitarian and reconstruction operations.

Table 1. Composition of ORHA and CPA Staff

Category of Employment	Personnel Assigned	Percentage
Military (active duty and active reserve)	919	40.1
DoD detailed civilians	350	15.3
Civilians detailed from other Federal agencies	512	22.3
Contractors	144	6.3
Newly hired civilians	366	16.0
Total	2,291	100.0

We identified 862 detailed civilians and 366 newly hired civilians who provided support to the ORHA and CPA effort (see Table 1). DoD used appropriately 5 U.S.C. 3394 and 5 U.S.C. 3161 to assign these newly hired civilians.

Chronology of the Staffing Efforts

In response to NSPD 24, DoD set about the task of quickly staffing a temporary interagency organization in a war zone. At the onset of the U.S. invasion of Iraq, DoD began its efforts to hire civilians to support ORHA and CPA. DoD used the support of

² Senior advisory staff are those personnel who directly reported to the CPA Administrator, including senior Ministry advisors.

several organizations and individuals to guide the hiring process. See Appendix F for a chronology of key events in the ORHA and CPA hiring process.

On January 20, 2003, the President issued NSPD 24. As a result, DoD created a postwar planning office called ORHA. The Secretary of Defense designated responsibility for implementing NSPD 24 to the USD(P) and selected a retired senior military officer under 5 U.S.C. 3109 to plan the postwar operations in Iraq; subsequently, the officer was appointed Director of ORHA. According to this retired senior military officer, he met with the National Security Council³ to discuss ORHA staffing needs. In addition, he recruited two of his former colleagues to assist him. USD(P) requested that these former colleagues also be appointed as consultants under 5 U.S.C. 3109. The White House Liaison Office (WHLO),⁴ in conjunction with Washington Headquarters Service (WHS),⁵ provided the administrative support for processing these appointments. The DoD Director of Administration and Management (DA&M) authorized these appointments.

In February 2003, DoD appointed two additional retired senior military officers to assist with ORHA operations, and Federal agencies began responding to NSPD 24 and started to detail civilians to ORHA. In addition, the Chairman of the Joint Chiefs of Staff, Personnel Directorate (J-1) began assigning military support to ORHA, and USD(P) began using personal services contracts⁶ to supplement the ORHA staff. The Director of ORHA asked USD(P) to hire a subject matter expert who previously worked with the Director of ORHA in 1991 at the Iraqi Military Coordination Center to resettle Kurdish refugees. The Defense Contracting Command-Washington (DCC-W) awarded the contract for this individual to advise on the Kurdish situation in Iraq.

In March, the USD(P) recommended his special advisor for the position of the Civil Administration Coordinator for ORHA. The special advisor was detailed through a noncareer Senior Executive Service appointment under 5 U.S.C. 3394, and his appointment was approved by OPM. Also, OPM approved changing the appointments of the five retired senior military officers from consultants to limited emergency Senior Executive Service appointments under 5 U.S.C. 3394. The Civil Administration Coordinator stated that the Director of ORHA continued to recruit military personnel and DoD civilians, and other Federal agencies continued to detail civilian employees throughout March 2003. Also, under the direction of USD(P), DCC-W awarded

³ The National Security Council is the principal forum used by the President for considering national security and foreign policy matters with his senior national security advisors and Cabinet officials.

⁴ According to the WHLO Special Assistant, the traditional role of the WHLO is to identify and recommend individuals for approximately 250 administrative positions, approximately 50 Presidential appointments and approximately 200 noncareer Senior Executive Service appointments.

⁵ The WHS Human Resource Directorate for Executive and Political Personnel provides the Office of the Secretary of Defense human resource support for Senior Executive Service appointments and senior-level appointments. Senior-level appointments include noncareer Senior Executive Service and confidential or policy-determining appointments. WHS also processes the personnel actions for hiring consultants and experts.

⁶ DoD IG Report No. D-2004-057, "Contracts Awarded for the Coalition Provisional Authority by the Defense Contracting Command-Washington," March 2004, identified these personal services contracts awarded between February and May 2003.

nine personal services contracts in March 2003 for subject matter experts. Some of the contracts specified names of individuals hired.

The Director of Personnel for ORHA stated that the initial ORHA staff that deployed first to Kuwait on March 16, 2003, then to Iraq a month later consisted of approximately 180 civilians, military personnel, and contractors. At this point, the Director of Personnel for ORHA indicated that it became difficult to adequately track personnel assigned to ORHA because DoD did not have a system to account for the staffing of a temporary interagency organization. He stated that he expected 94 individuals to deploy; however, almost twice that number arrived to form the initial team. This example illustrates how DoD struggled with effectively staffing and accounting for civilian personnel assigned to ORHA. According to the DoD Principal Director for Civilian Personnel Policy, the Under Secretary of Defense for Personnel and Readiness (USD[P&R]) requested guidance from OPM on how to approach staffing of a temporary organization, and OPM recommended using the 5 U.S.C. 3161 authority, which stated that the organization could hire individuals without traditional competitive practices under the excepted service provision for temporary organizations.

In mid-April 2003, the Commander of the Coalition Forces established CPA to provide security and stability in Iraq. Also in April 2003, DoD began using 5 U.S.C. 3161 and hired seven individuals. Another 19 individuals were hired in May 2003. Augmenting CPA staffing with these excepted service appointments was slow because DoD did not have a framework to support the volume of staffing needed and had not defined the roles and responsibilities for supporting a temporary interagency organization.

Also in April 2003, the Special Assistant to the Secretary of Defense for White House Liaison (WHLO Special Assistant) stated that he became directly involved in identifying individuals for CPA. By direction of the Secretary of Defense, the special assistant to the Secretary of Defense requested the WHLO Special Assistant to identify individuals for senior CPA advisor positions. The WHLO Special Assistant then became the coordinator for identifying and recruiting individuals hired under the 5 U.S.C. 3161 staffing authority.

Additionally, in April 2003, the Secretary of Defense sent a memorandum requesting support for ORHA to the Secretaries of the Military Departments; Chairman of the Joint Chiefs of Staff; USD(P); Under Secretary of Defense (Comptroller); Commander, U.S. Central Command; General Counsel, DoD; Directors of the Defense agencies; and Directors of the DoD Field Activities.

An ambassador volunteered to assist the DoD in planning CPA, and on April 30, 2003, the USD(P) hired him as an unpaid consultant to CPA. On May 9, 2003, the President appointed this ambassador as the Presidential envoy to Iraq. On May 13, 2003, the Secretary of Defense designated him also as the CPA Administrator. On May 16, 2003, the CPA Administrator deployed to Baghdad. On May 21, 2003, the Deputy Secretary of Defense issued a memorandum designating the Secretary of the Army as the DoD Executive Agent to support ORHA, responsible for providing the administrative,

logistics, and contracting support ORHA required for humanitarian relief and reconstruction for the people of Iraq.

In May 2003, USD(P) requested DCC-W to award two additional contracts for subject matter experts. DCC-W contracted with the Native American Industrial Distributors for a protocol officer. The Director of ORHA requested by name an individual with whom he had previously worked. According to the Director of ORHA, this individual was the best protocol officer he had ever worked with in the Army. DCC-W awarded another contract to SAIC for a subject matter expert in oil. Five months later, DoD hired this subject matter expert as an energy representative under the 5 U.S.C. 3161 provision.

According to the CPA-Rear Chief of Staff, in August 2003 the CPA Administrator established the CPA-Rear office at the Pentagon, which provided support to the CPA office in Iraq. Shortly thereafter, in September 2003, the Office of the Administrative Assistant to the Secretary of the Army, Human Resources Management Directorate, Executive Services Division (the Army Personnel Office) assumed responsibility from WHS for processing the newly hired civilian personnel. The Army Personnel Office continued to process CPA personnel using the 5 U.S.C. 3161 authority.

In late September and early October 2003, the Secretary of Defense sent a memorandum to each executive department and to the U.S. Agency for International Development requesting additional civilian expertise to assist CPA. In the memoranda, the Secretary of Defense identified 257 positions that should be filled.

According to the CPA-Rear Special Assistant for Personnel,⁷ CPA-Rear created a recruiting team to recruit and process new civilian personnel for CPA in October 2003. As a result, the WHLO Special Assistant became less involved in the hiring process for CPA. The WHLO Special Assistant acted in an oversight role in the staffing process. According to the WHLO Special Assistant, the CPA recruiting team became the focal point for coordinating the identification and recruiting of individuals under 5 U.S.C. 3161, while his own involvement in the staffing process shifted to reviewing the paperwork supporting an individual's appointment before DA&M approved it.

The CPA-Rear Special Assistant for Personnel stated that the CPA recruiting team began using an Army Web-based application called Support Our Friends in Iraq and Afghanistan (SOFIA) in October 2003. SOFIA, which announced CPA job vacancies, was linked to the OPM jobs Web site. According to the WHLO Special Assistant, the recruiting team also used an Army database to identify position descriptions that best satisfied the requirements of positions that were to be filled in Iraq. The CPA-Rear Special Assistant for Personnel stated that, typically, the senior advisor in need of personnel or the CPA Chief of Staff determined which position description best fit the manning requirements. The recruiting team typically advertised the job vacancies through SOFIA. Interested individuals posted their resumés in SOFIA, facilitating review by the recruiting team. According to the CPA-Rear Special Assistant for Personnel, the team usually made preliminary assessments of applicants' qualifications by reviewing resumés

⁷ The CPA-Rear Special Assistant for Personnel was the team leader of the CPA recruiting team.

received and comparing them with selected position descriptions. The recruiting team provided the CPA Chief of Staff and the requiring senior advisor a list of recommended applicants for review and selection. Based on documentation provided by a SOFIA official, we determined that the CPA recruiting team advertised 101 positions in SOFIA but filled only 21 positions through these vacancy announcements.

On May 11, 2004, the President signed NSPD 36, “United States Government Operations in Iraq,” directing the termination of CPA by June 30, 2004. CPA existed until June 28, 2004, when it disbanded and transferred responsibilities to the Iraqi Reconstruction and Modernization Office under the U.S. Department of State and to the Project and Contracting Office under DoD. Some of the CPA personnel transitioned to work for the Iraqi Reconstruction and Modernization Office.

Limited Emergency Appointments

DoD appropriately used 5 U.S.C. 3394 to hire the initial six senior ORHA leaders. According to the Code of Federal Regulations, “Employment in the Senior Executive Service,” 5 C.F.R. 317 (2008), DoD may make limited Senior Executive Service appointments. The appointments are exempt from competitive service, but the individuals must meet the qualifications of the positions and receive approval from OPM. The appointments must be for a bona fide, unanticipated, and urgent need that does not exceed 18 months. These appointments were not Schedule C⁸ policy-determining positions commonly referred to as political appointments.

As noted earlier, the USD(P) initiated the staffing of ORHA in January 2003. USD(P) appointed three retired generals, including the Director and the Deputy Director of ORHA, as consultants under 5 U.S.C. 3109. In February 2003, the USD(P) hired another two retired general officers as consultants using the same authority. In March 2003, the individuals’ appointments were converted to limited emergency Senior Executive Service positions under 5 U.S.C. 3394. The USD(P) also detailed his special advisor as a noncareer Senior Executive Service appointee under the same provision.⁹ DA&M in the Office of the Secretary of Defense endorsed these six appointments, and on March 11, 2003, OPM approved them.

Detailed Civilians Assigned

ORHA and CPA received 862 detailed civilians, 350 from DoD and 512 from other Federal agencies. Some of the agencies that provided detailed civilians were the Departments of State, Energy, Justice, Commerce, and Treasury; the U.S. Agency for International Development; and the U.S. Postal Service. However, personnel records did not reflect the detailing of these people to ORHA or CPA. Because DoD did not adequately document the personnel movements of the detailed civilians, we were unable to verify the completeness and accuracy of these numbers.

⁸ Schedule C applies to positions that are confidential and policy determining; it can be used to staff temporary positions to aid in the transition between Presidential administrations.

⁹ Of the six individuals hired under 5 U.S.C. 3394, one resigned in May 2003, three resigned in June 2003, one resigned in July 2003, and the remaining one resigned in August 2003.

Excepted Service Appointments

According to the DoD Principal Director for Civilian Personnel Policy, in April 2003, the USD(P&R) requested guidance from OPM on how to approach the staffing of a temporary organization. OPM recommended using 5 U.S.C. 3161. This authority permits the head of a temporary organization to staff its organization by appointing individuals from outside the Federal Government to excepted service positions. “Excepted Service,” 5 C.F.R. 213 (2007), consistent with 2003 guidance, states that agencies may make appointments to positions that are not of a confidential or policy-determining nature and are not in the Senior Executive Service upon OPM approval by publishing a statement in the Federal Register. Using excepted service appointments enables agencies to streamline hiring by bypassing traditional competitive hiring procedures. These appointments were not political appointments, but Schedule A excepted service positions. In the Federal Registry, the OPM approved subsection 3199 as excepted service Schedule A¹⁰ authority for hiring personnel for temporary organizations. Using 5 C.F.R. 213.3199, the DoD appointed 356 civilians to excepted service positions within CPA.

Under 5 U.S.C. 3161, the head of the temporary organization may staff its organization by hiring experts and consultants under 5 U.S.C. 3109. DoD used 5 U.S.C. 3109 to hire an additional 4 civilians as experts and consultants. Section 3109 states that agency heads may hire the temporary or intermittent services of experts or consultants. Services procured under 5 U.S.C. 3109 are exempt from competitive service. These individuals hired as experts and consultants did not receive any employee benefits other than pay. Thus, between April 2003 and June 2004, DoD hired 360 civilians under excepted service Schedule A appointments. None of these appointments were political (Schedule C).

Records

DoD did not maintain civilian records to account fully for the personnel assigned to ORHA and CPA. DoD could not provide a list of personnel assigned to ORHA and CPA from March 2003 through June 2004. As a result, we created a list by analyzing and compiling information from several data sources to evaluate the hiring practices of ORHA and CPA. We estimated that DoD assigned 2,291 personnel to ORHA and CPA during the agencies’ 16-month existence: 919 military personnel, 862 detailed civilians, 144 contractors, and 366 newly hired civilians. However, we were unable to ensure the accuracy of these estimates because the documentation available was not complete.

Maintaining Individuals’ Records

DoD did not adequately maintain the personnel records of the civilians hired to ORHA and CPA. According to OPM’s “The Guide to Personnel Record-keeping,” November 1, 2006, and consistent with the December 14, 2001, guidance, official personnel files could

¹⁰ Schedule A is used for positions other than those of a confidential or policy-determining nature when competitive hiring practices are impracticable.

contain at least approvals and authorizations for appointments,¹¹ resumés, personnel actions, and statements of prior Federal service. WHS and the Army Personnel Office prepared personnel actions for newly hired civilians. However, information maintained in the personnel files was incomplete.

We collected personnel records for the 366 newly hired civilians. However, documentation was not available for all individuals. The personnel files we reviewed were missing position descriptions,¹² resumés, appointment memoranda, and Standard Forms (SF) 50, “Notification of Personnel Action.” Table 2 identifies the number of documents we obtained.

Table 2. Summary of Personnel Documents for the 366 Hired

Type of Document	Documents Not Found	Documents Received
Position description	306	60
Resumé	26	340
Appointment memorandum	100	266
Standard Form 50	0	366

Documenting Personnel Actions

DoD did not fully document personnel actions for the detailed civilians or newly hired civilians. According to the OPM “Guide to Processing Personnel Actions,” revised April 6, 2003, and current as of December 23, 2007, notifications of personnel actions must be prepared for all accessions, conversions, and separations, as well as for all corrections and cancellations of these actions. A notification of personnel action is required both as official notification to the employee and as official documentation of actions. The employee must receive all notifications of personnel action. A copy of the notification of personnel action must be filed in the official personnel folder. The OPM “Guide to Processing Personnel Actions” states that for any detail lasting 120 days or more an SF-52, “Request for Personnel Action,” should be prepared showing the organization and position to which the employee has been detailed, the effective date of the detail, and its not-to-exceed date.

DoD and other Federal agencies did not process personnel actions for detailed civilians. The Secretary of Defense requested that civilians be detailed for a minimum of 180 days. We reviewed the official personnel files for 461 of 862 detailed civilians and found that personnel action forms were completed for only 3.

¹¹ The appointment memoranda identified the recommended individual, the position duties, and the qualifications or skill sets necessary for that position. In addition, the memoranda described why the recommended individual qualified for the position and proposed salary.

¹² A position description documents the major duties, responsibilities, and organizational relationships of a job.

In addition, DoD did not have procedures to ensure personnel actions were properly prepared for the hired civilians. We identified instances in which processing of paperwork lagged civilians' return from duty with ORHA or CPA and was inaccurate. For example, one individual resigned from CPA in June 2003, but DoD did not process the personnel action until March 2004. The personnel action processed had an effective date of January 2004, 7 months after the individual resigned. In another instance, an individual left CPA in November 2003, but DoD did not process the personnel action until August 2004. The personnel action processed had an effective date of January 2004, 2 months after the individual resigned. Thus, DoD did not have procedures to ensure personnel actions were processed accurately and timely for the civilians assigned to ORHA and CPA.

Initiatives Since 2004

Since CPA disbanded in June 2004, the President and USD(P) have issued new guidance on stabilization operations, including reconstruction and humanitarian efforts. DoD Directive 3000.05, "Military Support for Stability, Security, Transition, and Reconstruction Operations," November 28, 2005, establishes policy and assigns responsibilities within the Department for planning, training, and supporting interagency efforts associated with stability, security, transition, and reconstruction operations. The directive assigns USD(P&R) the responsibility to identify personnel and training requirements for stability operations and evaluate DoD progress in developing forces to meet those requirements. According to the same directive, USD(P&R) is responsible for developing methods to recruit, select, and assign current and former DoD personnel with relevant skills to stability operations and for recommending necessary changes to related laws, authorities, and regulations.

The President issued NSPD 44, "Management of Interagency Efforts Concerning Reconstruction and Stabilization," on December 7, 2005. The directive provides guidance for the coordination, planning, and implementation of interagency efforts. Under NSPD 44, the Secretary of State is responsible for coordinating and leading integrated U.S. Government efforts, involving all U.S. Departments and agencies with relevant capabilities, to prepare, plan for, and conduct stabilization and reconstruction activities. NSPD 44 directs DoD, along with other executive departments and agencies, to identify and develop internal capabilities for planning and managing resources and programs that can be mobilized in response to crises. Further, NSPD 44 directs DoD and other Departments to identify current and former civilian employees skilled in crisis response and to establish mechanisms to reassign or reemploy these skilled personnel rapidly in response to a crisis. The directive also requires the Secretaries of State and Defense to develop a general framework for fully coordinating stabilization and reconstruction activities and military operations at all levels where appropriate.

The DoD Principal Director for Civilian Personnel Policy indicated that her office is revising current civilian personnel policy to provide a framework for building a civilian expeditionary workforce.¹³ This policy will ensure a ready, trained, and cleared civilian workforce to respond quickly to emergency, humanitarian assistance, and other national security missions of the Department. The policy also includes guidance for sourcing and resourcing expeditionary requirements.

For future operations, DoD must maintain a complete and accurate database of civilian personnel assigned to interagency efforts and maintain complete and accurate personnel records for civilians deployed. As NSPD 44 directs, DoD needs to develop a framework to coordinate these activities. Within the framework, DoD should define authorities and responsibilities for hiring and staffing civilians; follow a consistent approach to recruit, select, and assign civilians with relevant skills sets; document the staffing actions; and use a tracking system to accurately account for civilians. Without such a framework, DoD will continue to experience challenges staffing reconstruction and stabilization operations.

Client Comments on the Finding and Our Response

Under Secretary of Defense for Policy Comments

The Staff Director and Special Advisor to the Under Secretary of Defense for Policy (Staff Director) responded for the Acting Under Secretary of Defense for Policy on August 14, 2008, and September 29, 2008. The Staff Director commented that the Department of State has the overall responsibility for implementing NSPD 44 and leading the interagency effort to establish a supporting civilian corps. DoD is responsible for supporting the Department of State efforts as stated in DoD Directive 3000.05.

Our Response

We clarified the report to acknowledge the Department of State's role in coordinating interagency efforts in stabilization and reconstruction activities. The report recognizes the USD(P&R) efforts in drafting policy that provides a framework for these activities. However, USD(P&R) has not yet fully implemented the policy.

Under Secretary of Defense for Personnel and Readiness Comments

The DoD Principal Director for Civilian Personnel Policy (Principal Director) responded for the Under Secretary of Defense for Personnel and Readiness on August 18, 2008, and September 29, 2008. The DoD Principal Director commented that the report should include an expanded statement that the Department of State has overall responsibility for implementing NSPD 44. DoD has a supporting role and should coordinate with the Department of State according to DoD Directive 3000.05.

¹³ A civilian expeditionary workforce, as subset of the DoD civilian workforce, needed to meet complex DoD missions such as stability, security, transition, and reconstruction operations; humanitarian assistance efforts; crisis interventions; and contingency operations. A civilian expeditionary workforce could be deployed anywhere around the world to address these operations.

Our Response

We clarified the report to acknowledge the Department of State's responsibility for implementing NSPD 44. The report recognizes the USD(P&R) efforts in drafting policy to implement NSPD 44. However, USD(P&R) has not yet issued the policy.

Special Assistant to the Secretary of Defense for White House Liaison Comments

The Special Assistant to the Secretary of Defense for White House Liaison (WHLO Special Assistant) provided comments on a draft of the report on August 13, 2008, and September 29, 2008. In his comments, the WHLO Special Assistant disagreed with many aspects of our report. His comments, in their entirety, are included in the client comments section, however, we did not include the referenced enclosures.

Our Response

We clarified the report where appropriate in response to the WHLO Special Assistant's comments.

Recommendation, Client Comments, and Our Response

We recommend that the Under Secretary of Defense for Personnel and Readiness, in coordination with the Under Secretary of Defense for Policy, establish a framework consistent with National Security Presidential Directive 44 and DoD Directive 3000.05, "Military Support for Stability, Security, Transition, and Reconstruction Operations," November 28, 2005, that enables DoD to effectively staff contingencies such as humanitarian, stabilization, and interagency operations with civilians and define departmental roles and responsibilities for supporting these operations.

Under Secretary of Defense for Policy Comments

The Staff Director and Special Advisor to the Under Secretary of Defense for Policy (Staff Director) responded for the Acting Under Secretary of Defense for Policy and disagreed with the recommendation. He stated that the Department of State has the overall responsibility for implementing NSPD 44 and leading the interagency effort to establish a Civilian Response Corps.¹⁴ DoD has a supporting role to the Department of State and must closely coordinate with the Department of State in establishing a framework in accordance with DoD Directive 3000.05. The Staff Director requested that the recommendation be clarified to recognize USD(P&R)'s ongoing efforts and expanded to include the requirement for the USD(P&R) to coordinate with the Department of State to ensure complementary planning and use of these new civilian capabilities.

¹⁴ The Civilian Response Corps will comprise Federal employees and, eventually, volunteers from the private sector and State and local governments. Corps members will be trained and equipped to deploy rapidly to countries in crisis or emerging from conflict, to provide reconstruction and stabilization assistance.

Our Response

The USD(P) comments were responsive and meet the intent of our recommendation. We clarified the report to acknowledge the Department of State's responsibility for implementing NSPD 44. The report recognizes USD(P&R) initiatives. However, we disagree that USD(P&R) should be responsible for coordinating with the Department of State to staff contingencies. According to DoD Directive 3000.05, such responsibility resides with the Under Secretary of Defense for Policy. We did not expand the recommendation.

Under Secretary of Defense for Personnel and Readiness Comments

The DoD Principal Director for Civilian Personnel Policy (Principal Director) responded for the Under Secretary of Defense for Personnel and Readiness and generally agreed with the recommendation; however, she stated that it could be expanded to reflect the actions taken by the Department and clarified to be consistent with the recommendations made by the Defense Human Resources Board on August 21, 2008, on the civilian expeditionary workforce framework and policies. Further, she stated that DoD is in a supporting role to the Department of State and must closely coordinate with the Department of State in accordance with DoD Directive 3000.05.

Our Response

The USD(P&R) comments were partially responsive. The report acknowledges USD(P&R) policy initiatives. However, we do not believe the recommendation needs to be revised to include recommendations from the Defense Human Resources Board. USD(P&R) has the discretion to determine how to effectively implement NSPD 44 and DoD Directive 3000.05. We request that USD(P&R) comment on the final report and provide a plan of action for implementing this recommendation.

Appendix A. Scope and Methodology

We conducted this performance audit from January 2007 through September 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We collected, reviewed, and analyzed documents dated from January 2003 through February 2008. Specifically, we evaluated official personnel files that contained notification of personnel actions, appointment letters, resumés, appointment affidavits, applications, declarations of Federal service, statements of prior service, and position descriptions. In addition, we evaluated travel orders and payroll records to identify personnel assigned to ORHA and CPA. We reviewed 12 contracts identified in DoD IG Report No. D-2004-057. Specifically, we reviewed the contract, statement of work, and justification and approval for other than full and open competition to determine the number of subject experts requested, whether any were requested by name, what services subject matter experts were to provide, and the justification for the contract.

We interviewed former ORHA and CPA officials who were involved in the hiring and recruitment of staff for ORHA and CPA. In addition, we interviewed staff assigned to CPA. We also met with the USD(P&R) to identify initiatives underway to more effectively address civilian staffing for contingencies.

DoD was unable to provide us with a listing of individuals who were assigned to ORHA and CPA. To identify who was assigned to ORHA and CPA, we compiled a list of individuals who worked for ORHA and CPA by analyzing the following data sources:

- draft joint manning documents from the former ORHA Director of Personnel (C-1) that identified individuals assigned to ORHA and CPA between March and August 2003;
- unofficial personnel files maintained by the CPA Project and Contracting Office¹ that identified newly hired civilians;
- a list of personnel from the Army Personnel Office that identified individuals assigned to CPA between October 2003 and June 2004;
- results of a data query of the Defense Civilian Personnel Data System that identified individuals processed by Washington Headquarters Services (WHS) and the Army Personnel Office between January 2003 and June 2004;
- results of a data query of a DoD database called SOFIA to identify individuals who were hired between January and June 2004 for positions listed in SOFIA;

¹ DoD created the Project and Contracting Office to provide acquisition and project management support in Iraq.

- results of a data query processed by the Defense Finance and Accounting Service payroll system to identify individuals paid by WHS and the Army Personnel Office between January 2003 and June 2004;
- results of a data query of travel vouchers processed by the Defense Finance and Accounting Service for individuals who filed travel orders or vouchers between April 2003 and June 2004; and
- Twelve personal service contracts that identified contractors hired between February and May 2003.

We combined and reconciled the data obtained from these sources to identify 2,291 individuals who showed indications of being assigned to ORHA or CPA. The staff population consisted of four categories: members of the military, detailed civilians, newly hired civilians, and contractors. In developing the population, we compared a list of military personnel provided by Defense Manpower Data Center with names on military travel vouchers, and reviewed DoD civilian personnel payroll files provided by the Defense Finance and Accounting Service, a list of individuals hired under 5 U.S.C. 3161 identified by the Defense Civilian Personnel Data System, and names of contractor personnel identified in DoD IG Report No. D-2004-057.

We attempted to collect personnel records for the 366 newly hired civilians. However, documentation was not available for all individuals. Based on the data received, we reviewed the qualifications of 263 individuals hired who had a resumé and either an appointment memorandum or a position description. We compared the qualifications outlined in 58 position descriptions² and 205 appointment memoranda³ with the resúmes of the selected individuals. We did not validate the legitimacy of the job requirements or verify the validity of the resúmes.

Use of Computer-Processed Data

To achieve the audit objective, we used data extracted from the Operational Data Store, Defense Civilian Pay System, Defense Civilian Personnel Data System, SOFIA, and Electronic Document Access system. We matched computer-processed records against corresponding source records to ensure the information extracted and used from the systems was reliable. We did not find significant errors between the computer-processed data and source documents that would preclude the use of the computer-processed data.

Use of Technical Assistance

We obtained assistance from the Quantitative Methods Division of the Office of Inspector General. The Quantitative Methods Division assisted the auditors in developing a database listing names of individuals assigned to ORHA or CPA. The Quantitative Methods analyst combined 26 data sources to identify a population of individuals that potentially were associated with ORHA or CPA. The analyst removed

² We obtained 60 position descriptions and used 58 because 1 position description did not list qualifications and 1 position description did not have a resumé associated with it.

³ We obtained 266 appointment memoranda. We used 205 because 53 appointment memoranda were for individuals whose qualifications we checked using position descriptions and resúmes, and the remaining 8 appointment memoranda had no resúmes associated with them.

from the population names that were duplicates and people whose period of employment was outside the dates of ORHA and CPA's existence. In addition, the analyst reconciled the population listing with data obtained from the Defense Manpower Data Center, Defense Finance and Accounting Service, Defense Civilian Personnel Data System, and DoD IG Report No. D-2004-057 to categorize personnel that DoD assigned to ORHA and CPA. Using this reconciliation, the analyst categorized personnel assigned to support ORHA and CPA as military personnel, DoD civilian detailees, other Federal agency detailees, contractors, and new hires.

Prior Coverage

During the last 5 years, the Government Accountability Office, the DoD Inspector General, and the Special Inspector General for Iraq Reconstruction have issued four reports discussing ORHA and CPA. Unrestricted Government Accountability Office reports can be accessed over the Internet at <http://www.gao.gov>. Unrestricted DoD Inspector General reports can be accessed at <http://www.dodig.mil/audit/reports>.

Government Accountability Office

Government Accountability Office Report Number GAO-04-902R, "Rebuilding Iraq: Resources, Security, Governance, Essential Services, and Oversight Issues," June 2004

DoD Inspector General

DoD IG Report Number D-2004-057, "Contract Awarded for the Coalition Provisional Authority by the Defense Contracting Command-Washington," March 2003

Special Inspector General for Iraq Reconstruction

Special Inspector General for Iraq Reconstruction Report Number 1, "Iraq Reconstruction: Lessons in Human Capital Management," January 2006

Special Inspector General for Iraq Reconstruction Report Number 04-002, "Management of Personnel Assigned to the Coalition Provisional Authority in Baghdad, Iraq," June 2004

Appendix B. Senate Request

United States Senate

WASHINGTON, DC 20510

September 19, 2006

Mr. Thomas F. Gimble
Acting Inspector General, Department of Defense
400 Army-Navy Drive
Arlington, VA 22202

Dear Mr. Gimble:

We are deeply concerned about the recent reports about the Department's hiring practices with respect to the Coalition Provisional Authority (CPA) and other Department positions in Iraq. Specifically, a recent report in Washington Post raises serious concerns about the Departments' designation of many of these positions as political appointments rather than civil services slots and calls into serious question the experience and qualifications of at least some of the individuals who were sent to work in the CPA.

As you know the CPA, which ran Iraq's government from April 2003 to June 2004, employed approximately 1,500 people in Baghdad. Recent reports indicate that some of these employees lacked any experience in the areas they were working. For example, a 24-year old who had no background in finance was charged with opening Baghdad's stock exchange. These reports are deeply troubling especially in light of the Iraqis' on-going struggle to maintain their security and establish a democratic government. The CPA was aimed at creating a quick and smooth transition to democratic government in Iraq and was also intended to establish order and guide Iraq's reconstruction efforts. Unfortunately, its efforts never came to fruition.

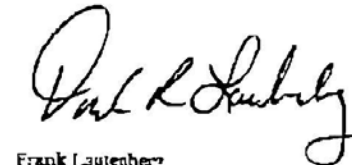
The Department of Defense, perhaps more than any other agency in our federal government, must be beyond the reach of politics. Where vital duties include protecting our troops and creating a stable Iraq, there is no room for anything other than the most highly qualified, experienced employees. When American lives are at risk, professionalism, not politics, must be the rule.

As the Inspector General for the Department, it is your duty to ensure that the Department is running effectively and to investigate allegations of fraud, abuses, deficiencies and other problems. We are calling on you to investigate the hiring practices for the CPA. In particular, your investigation should examine the appropriateness of designation these positions as political rather than civil service positions, and the qualifications of those sent to Iraq to work in the Coalition Provisional Authority. In addition, please identify the authority for hiring this large number of personnel as non-civil service designees. On a matter of this import, we trust we will see the results of your investigation as quickly as possible.

Sincerely


Charles E. Schumer
United States Senator


Richard Durbin
United States Senator


Frank Lautenberg
United States Senator

Appendix C. Suitability of Privatization Associate

The Senators noted in their request that recent reports indicated that some individuals employed by CPA lacked any experience in the areas in which they were working. The Senators cited the example of a 24-year-old who had no background in finance but was charged with opening Baghdad's stock exchange. Although we did not evaluate the duties performed by the 24-year-old while in Iraq, we did examine the individual's job requirements and skill sets for the position hired. We interviewed the individual (hired as a privatization⁴ associate) and his supervisor, the Director of Private Sector Development.

According to the individual, he submitted his unsolicited resumé to the CPA Representative, whom he had met while applying for a job at the White House. The CPA Representative forwarded it to the CPA recruiting team. The Director of Private Sector Development stated that he interviewed and selected the individual for a position within his directorate as a privatization associate. The individual occupied the position from September 12, 2003, to June 20, 2004. The privatization associate's duties outlined in his appointment memorandum were to furnish the Director with research and analysis on privatization including the creation of corporations, the selling of shares, and training. The job requirements identified in the appointment memorandum were as follows:

- [1] Knowledge of privatization programs, operations, objectives, and policies along with a knowledge of management and organizational techniques, systems, and procedures to perform a wide variety of analytical studies and projects related to privatization and development issues;
- [2] ability to be tactful and considerate in dealing with persons at various levels of authority within and outside of the federal government and from a variety of backgrounds;
- [3] ability to analyze, evaluate, unexpected/new situations and make logical decisions/recommendations in a timely manner.
- [4] The incumbent must be able to develop and prepare written and oral communications;
- [5] and must be able to exercise initiative, resourcefulness, and discretion and be able to solve problems.

The appointment memorandum indicated that the individual was qualified for the position because of his employment as an associate with an independent real estate advisory firm where he performed market, economic, and demographic analyses; surveyed residential and commercial properties to evaluate marketing and execution; and wrote detailed reports of client meetings. The individual holds a bachelor's degree in political science.

In our review of the individual's qualifications, we developed criteria for each of the qualifications. We analyzed the resumé and determined that the individual was qualified for the position. The individual met four of the five job requirements. If an individual

⁴ Privatization is defined as the incidence or process of transferring ownership of a business from the public sector (government) to the private sector (business). In a broader sense, privatization refers to the transfer of any government function to the private sector, including governmental functions like revenue collection and law enforcement.

met at least 75 percent of the job requirements, we concluded that the individual was qualified. We did not weight the job requirements, nor did we validate the adequacy of the job requirement for the privatization associate position. The one job requirement for which the individual's resumé did not substantiate the requisite skill sets was the first requirement shown above. According to both the privatization associate and the Director of Private Sector Development, the individual's initial assignment was to determine what was necessary to reestablish the Baghdad stock exchange. The privatization associate stated the Director told him that a finance degree was not necessary for the job as a privatization associate.

Appendix D. Answers to Questions About Hiring

The following summary provides our response to the questions that we agreed to answer in connection with the Senators' request on September 19, 2006, to evaluate the hiring practices for CPA. In particular, the summary answers specific questions posed by staff employees from multiple Senate offices in December 2006: (1) Who was hired? (2) How were ORHA and CPA personnel recruited and selected? and (3) Were skill sets matched to job requirements?

Who Was Hired?

To staff ORHA and CPA, DoD assigned military personnel, civilians from DoD and other Federal agencies, and newly hired civilians using authority provided under 5 U.S.C. 3394 and 5 U.S.C. 3161. DoD also hired contractors to support the initial staffing of ORHA. DoD was unable to provide a list of personnel assigned to ORHA and CPA. According to the WHLO Special Assistant, DoD developed a database of CPA personnel, which was functioning by late January 2004. However, DoD was unable to provide the database.

To conduct our audit, we created a listing of ORHA and CPA personnel. We used multiple data sources: draft joint manning documents; unofficial personnel records; a list of personnel from the Army Personnel Office; data query results from the Defense Civilian Personnel Data System, SOFIA, DoD payroll systems, and DoD travel vouchers; and personal service contracts. We were unable to find other reliable data sources. We identified approximately 2,300 personnel assigned to ORHA and CPA from February 2003 through June 2004. Our database showed that 16 percent of ORHA and CPA employees were newly hired civilians; however, we were unable to ensure that we had completely and accurately identified all ORHA and CPA personnel. The table below shows the makeup of the cumulative ORHA and CPA workforce from ORHA's inception in March 2003 through CPA's disbandment in June 2004.

Composition of ORHA and CPA Staff

Category of Employment	Personnel Assigned	Percentage
Military (active duty and active reserve)	919	40.1
DoD detailed civilians	350	15.3
Civilians detailed from other Federal agencies	512	22.3
Contractors	144	6.3
Newly hired civilians	366	16.0
Total	2,291	100.0

Note: The table does not include coalition forces assigned to ORHA or CPA.

We reviewed the appointments of the 366 newly hired civilians for ORHA and CPA. DoD hired the majority through Schedule A,¹ excepted service appointments. None of the appointments were Schedule C² or political appointments. DoD used 5 U.S.C. 3161 to hire 360 people from outside the Federal Government for excepted service appointments, which were not competed; DoD used 5 U.S.C. 3394 to hire the remaining six individuals through limited emergency SES appointments. OPM approved these SES appointments and authorized the Department's use of 5 U.S.C. 3161.

How Were Personnel Recruited and Selected?

Staffing ORHA and CPA was a unique and urgent task. DoD used an inconsistent process to recruit and select civilians to work for ORHA and CPA, temporary interagency organizations, in a war zone. Several Government offices were involved. DoD relied largely on senior DoD officials and on the CPA Administrator and his senior advisory staff. These DoD officials included the Secretary of Defense, Deputy Secretary of Defense, USD(P), WHLO Special Assistant, and DA&M. In addition, the White House Director of the Office of Presidential Personnel and the Chief of Staff to the President approved the individuals selected for the senior-level appointments.

In March 2003, senior DoD officials changed the initial six senior ORHA personnel to a limited emergency temporary Senior Executive Service position using 5 U.S.C. 3394. DoD received the appropriate OPM authorization for assigning these six appointments. These six individuals were hired through their contacts with DoD senior leadership. According to the Director of ORHA, the Secretary of Defense recruited and recommended him. The Director of ORHA recommended and recruited four other ORHA officials, who were retired generals. According to the USD(P), he recommended one ORHA official who worked in his office. According to the ORHA Director of Personnel, the ORHA staff consisted of military personnel, detailed civilians, and contractors and totaled approximately 180 personnel. According to several DoD officials, the Director of ORHA recruited these personnel through the halls of the Pentagon.

In April 2003, with the establishment of CPA, DoD began using 5 U.S.C. 3161 to supplement the military personnel and detailed civilians working for CPA. DoD hired 360 civilians to excepted service positions in CPA between April 2003 and June 2004. According to DA&M, DoD concurrently assigned both military personnel and detailed civilians to CPA. Section 3161, title 5, United States Code allows the CPA Administrator to hire individuals from outside the Federal Government without competing the positions, to accept detailed personnel from DoD and other Federal agencies, to hire experts and consultants, and to accept volunteer services.

¹ Schedule A applies to other than confidential or policy-determining positions for which open competition and traditional competitive requirements are impractical.

² Schedule C applies to appointments for positions that are policy determining or involve a close and confidential working relationship with key appointed officials. Schedule C can be used to fill temporary positions to aid in the transition between Presidential administrations.

DoD complied with the provisions of 5 U.S.C. 3161 for hiring civilians to work for CPA but used inconsistent procedures to hire them. The senior DoD officials identified potential individuals through personal contacts, recommendations, and referrals. We could not confirm whether interviews were conducted for all applicants; however, when an individual was interviewed, DoD senior officials generally conducted the interview. According to the former DA&M, the officials were not required to ask any prescribed or standard interview questions of each individual. The interview questions were tailored to the duties of the position. The WHLO Special Assistant stated that individuals selected for senior-level appointments were vetted through senior DoD officials, the CPA Administrator or his senior advisory staff, and White House officials. Of the 366 hired, we determined that 63 received senior-level appointments.³ According to the WHLO Special Assistant, the vetting process for senior personnel included the Deputy Secretary of Defense, DA&M, the CPA Administrator, the CPA-Rear Special Assistant for Personnel, the White House Director of the Office of Presidential Personnel, and the Chief of Staff to the President—all of whom had to agree with the selection before DA&M approved an individual's appointment. DA&M was the final approval authority for the new civilian appointments.

DoD appointed approximately 63 new hires to senior-level positions. Once an individual successfully cleared the vetting process, WHS or the Army Personnel Office processed the individual's appointment. We were unable to determine whether all 63 individuals went through the vetting process. However, according to the WHLO Special Assistant, DA&M, and the CPA recruiting team, all new civilian personnel applying for senior-level positions were vetted.

The WHLO Special Assistant was involved in the staffing process throughout the 16-month existence of ORHA and CPA. According to the WHLO Special Assistant, he provided administrative support for processing the initial six ORHA appointments. Then, the special assistant to the Secretary of Defense asked the WHLO Special Assistant to identify individuals for senior advisor positions. Later, as more personnel were needed in Baghdad, the WHLO Special Assistant became the coordinator for identifying and recruiting all civilians hired.

The WHLO Special Assistant contacted potential individuals to determine their interest in supporting CPA efforts and collected their resumés. He received resumés directly from some individuals and participated in some of the interviews. In addition, he ensured that the senior-level applicants were vetted before DA&M approved their appointments. The WHLO Special Assistant reviewed the documentation for the majority of the applicants. After CPA established a recruiting team, the WHLO Special Assistant acknowledged that he assisted less with identifying and recruiting potential individuals than with coordinating the processing of the new civilian appointments.

As ORHA transitioned into CPA, the CPA Administrator and his senior advisory staff generated staffing requirements and reported the requirements to senior DoD officials.

³ Senior-level appointments included CPA Administrator; Director of ORHA and his deputies; senior advisors; directors; chief operating officers; and chief financial officers.

According to the CPA Chief of Staff, staffing requirements were always changing because of the conditions in Iraq. In addition to determining requirements, the CPA Administrator and his senior advisory staff identified potential individuals to hire through personal contacts and recommendations and provided the names of potential individuals to the WHLO Special Assistant for recruiting. The CPA Administrator interviewed some individuals; however, he stated that he relied more on his senior advisory staff to support the staffing process.

According to the CPA-Rear Special Assistant for Personnel, the CPA Administrator created a CPA recruiting team in the Pentagon in October 2003 to facilitate the hiring process. DoD hired six new civilian personnel to assist the CPA Administrator and his senior advisory staff in the identification, recruitment, and processing of personnel. Three of the six hired had extensive recruiting experience. For example, the CPA-Rear Special Assistant for Personnel, the team leader of the CPA recruiting team, had spent 3 years identifying and screening Presidential appointees to Federal agencies for the White House. All six individuals had bachelor's degrees, two had master's degrees, and two had doctorates.

The CPA-Rear Special Assistant for Personnel stated that the recruiting team collected resumés submitted by individuals and received names of potential individuals from CPA officials or senior DoD officials. According to a member of the CPA recruiting team, the team contacted the individuals to determine whether they were interested in supporting CPA efforts. The recruiting team also coordinated the interviews of individuals. For senior-level appointments, the CPA Administrator or designee vetted the individuals. For other appointments, the Ministry advisory staff or CPA Chief of Staff generally initiated the staffing requirement and selected or coordinated the individuals to fill vacancies.

According to the CPA-Rear Special Assistant for Personnel, in October 2003 the CPA recruiting team added the Army Web-based application, SOFIA, to expand the staffing effort. SOFIA advertised some of the CPA openings and identified potential individuals for those nonsenior-level positions. The CPA senior advisory staff identified the staffing requirement, and the recruiting team worked with the Army to post the position vacancy in SOFIA. Individuals submitted their resumés through SOFIA, which screened them and identified individuals that qualified for the position. The CPA recruiting team then provided the list of qualified individuals and their resumés to the CPA senior advisory staff, who selected individuals. We identified 21 individuals who were hired through SOFIA for CPA.

WHS and the Army Personnel Office provided human resource and administrative support. WHS supported CPA until the Army Personnel Office took over the responsibility in September 2003. The human resource and administrative support included developing position descriptions, determining compensation, processing security clearances, drafting appointment memoranda, and compiling documents for review and approval. The WHLO Special Assistant reviewed the paperwork supporting an individual's appointment before the DA&M received the package for approval. The DA&M approved the new appointments for CPA.

Recruitment and Selection Examples

The following examples provide a description of how DoD recruited and selected specific individuals for ORHA and CPA. These examples provide a mix of positions from senior-level to nonsenior-level appointments and summarize the individuals' credentials.

Senior Advisor to the Iraqi Ministry of Health

According to the selected individual, the Deputy Secretary of Defense solicited a referral for the CPA senior advisor to the Iraqi Ministry of Health from the Governor of Michigan. Based on the Governor's recommendation, the Deputy Secretary asked the WHLO Special Assistant to contact the individual and determine whether he was interested in the position. According to the selected individual, several senior DoD officials, including the Deputy Secretary, interviewed him before DA&M appointed him senior advisor to the Iraqi Ministry of Health, where he served from May 19, 2003, through June 30, 2004. The individual's credentials included being president of a consulting group that provided services in business development, health policy, media relations, and government relations. This individual also was the Director of a State's community health department. This individual had a bachelor's degree in sociology and economics and a master's degree in social work.

Senior Advisor to the Iraqi Ministry of Youth and Sports

The WHLO Special Assistant recommended the individual selected as CPA senior advisor to the Iraqi Ministry of Youth and Sports to the CPA Administrator and CPA Chief of Staff. Both agreed with the recommendation. According to the individual, he was interviewed by the CPA Chief of Staff, CPA-Rear Chief of Staff, CPA-Rear Special Assistant for Personnel, and WHLO Special Assistant before went through the vetting process and obtaining the approval of the Deputy Secretary and the White House Chief of Staff. The appointee held the position from September 5, 2003, through June 26, 2004. His credentials included working as a consultant to a college providing scholarships to students from postwar areas to educate them to assist in reconstruction and humanitarian assistance when they returned to their countries. He had previously worked with the United Nations Children's Fund. The individual had bachelor's degrees in computer science and economics; master's degrees in international business and economic development and policy, planning, and evaluation; and a doctorate in administrative and policy studies. He spoke Arabic, English, French, German, and Albanian.

Senior Advisor to the Iraqi Ministry of Interior

According to the CPA-Rear Chief of Staff, the individual submitted his resumé directly to the CPA-Rear Chief of Staff. According to the CPA-Rear Chief of Staff, the CPA Administrator was searching for a successor to the existing CPA senior advisor to the Iraqi Ministry of the Interior. The incumbent, who was leaving Iraq, gave a favorable assessment, saying the individual "is by far the most qualified of anyone we have looked at or spoke[n] to, to replace me." The CPA Administrator approved the individual as successor to the senior advisor at the Ministry of the Interior, where he served from September 5, 2003, through June 27, 2004. According to the WHLO Special Assistant, he interviewed the individual. The individual was retired from Federal service with the

Drug Enforcement Agency, where he served in the Senior Executive Service and held a bachelor's degree in zoology.

Senior Advisor to the Iraqi Ministry of Higher Education and Scientific Research

According to the WHLO Special Assistant, the Secretary of Defense recommended to the WHLO Special Assistant an individual to serve as the CPA senior advisor to the Iraqi Ministry of Higher Education and Scientific Research. According to the CPA Chief of Staff, the CPA Administrator accepted the Defense Secretary's recommendation. The WHLO Special Assistant sent the individual's resumé through the vetting process to obtain the approval of the Deputy Secretary and the White House before having the WHS process the individual's appointment through DA&M. The appointee held the position from August 22, 2003, through June 24, 2004. According to the WHLO Special Assistant, he interviewed the individual. The individual's credentials included being a senior research fellow at a liberal arts college and the president of a consulting company specializing in curricular renewal in the liberal arts. The individual had bachelor's degrees in political science and history and a doctorate in government.

Staff Assistants for International Donors Conference

According to the WHLO Special Assistant, the CPA senior advisor to the Iraqi Ministry of Planning needed staff assistants immediately to provide administrative support for an international donors conference. This assignment was expected to last 6 weeks. The senior advisor to the Iraqi Ministry of Planning made the staffing request to the WHLO Special Assistant. The WHLO Special Assistant stated that he never considered using DoD detailed civilians for these staff assistant positions because of the short response time required. CPA hired 14 staff assistants to support the international donors conference.

- On September 3, 2003, the WHLO Special Assistant contacted the Heritage Foundation and requested resumé of "strong, courageous, and talented" young people to fill staff assistant positions. He stated that he contacted the Heritage Foundation because he knew that it maintained a database of resumé of individuals who would qualify for the staff assistant positions. The Heritage Foundation provided resumé of nine individuals to the WHLO Special Assistant. The CPA hired five of the nine individuals. We could not determine why four individuals were not hired.
- CPA also hired an individual who directly contacted the WHLO Special Assistant after learning of the position from a contact at the Heritage Foundation.
- CPA hired two other staff assistants, one recommended by a consultant working for the WHLO Special Assistant, and the other by a contractor working for CPA.
- We were unable to obtain information on how the remaining six individuals were selected as staff assistants for the international donors conference.

Transmission and Distribution Engineer

In December 2003, a program manager from the Ministry of Electricity initiated a request through the CPA Director of Civilian Personnel in CPA-Forward,⁸ which provided support to the CPA office in Iraq to hire a particular transmission and distribution engineer. The Ministry needed an engineer with at least 15 years' experience in high-voltage transmission and distribution, and experience in overseeing project management and supervising electrical projects. After processing by the WHLO Special Assistant and the recruiting team, DA&M appointed the individual as transmission and distribution engineer on April 13, 2004. The individual's credentials included 45 years of electrical power distribution and project management experience. The individual had worked overseas as an electrical general superintendent with a number of companies.

Were Skill Sets Matched to Job Requirements?

In answering this question, we were limited by the evidence that was available. We obtained resumés, position descriptions, and appointment memoranda. We were unable to determine the number of individuals interviewed or to contact the interviewer because no interview records were maintained. Using the data received, we reviewed the qualifications of 263 individuals hired who had a resumé, appointment memorandum, or position description. We did not assess or review the actual position or duty performed by the individual once hired or deployed to Iraq.

We reviewed position descriptions and resumés of 58 individuals hired and the appointment memoranda and resumés of 205 individuals hired. We determined that an individual was qualified for the position appointed if the individual's resumé indicated skills that matched 75 percent or more of the position's job requirements. We determined that an individual was partially qualified for the position to which he or she was appointed if the individual's resumé indicated skills that matched or partially matched at least one of the job requirements. We concluded that 263 civilians were at least partially qualified for the positions they were hired to fill.

We did not validate the legitimacy of the job requirements presented or verify the information presented in the resumé. Documentation and testimony from the CPA human resource specialist who prepared the majority of the appointment documents indicated that the appointment memoranda and position descriptions were drafted after receiving the recommended individual's resumé.

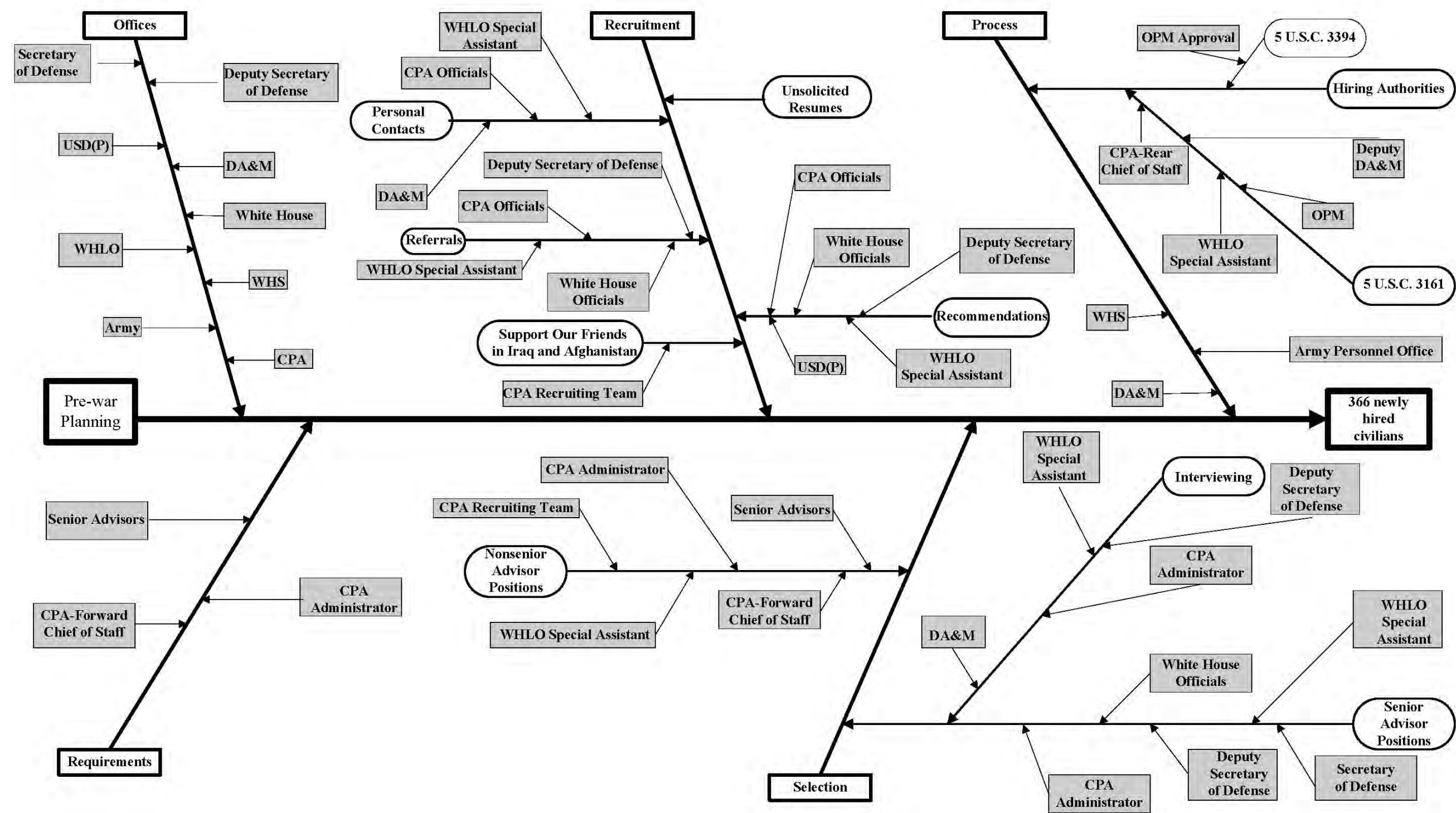
We reviewed the qualifications of 263 individuals hired for whom we could locate a resumé and either an appointment memorandum or a position description. We reviewed 58 individuals who had both position descriptions and resumés, and 205 individuals who had appointment memoranda and resumés but were not included in the review of the 58 position descriptions. We determined that 138 of 263 (53 percent) of the individuals were qualified for the positions they were hired to fill. The remaining 125 individuals were partially qualified.

⁸ CPA-Forward refers to the CPA office in Baghdad.

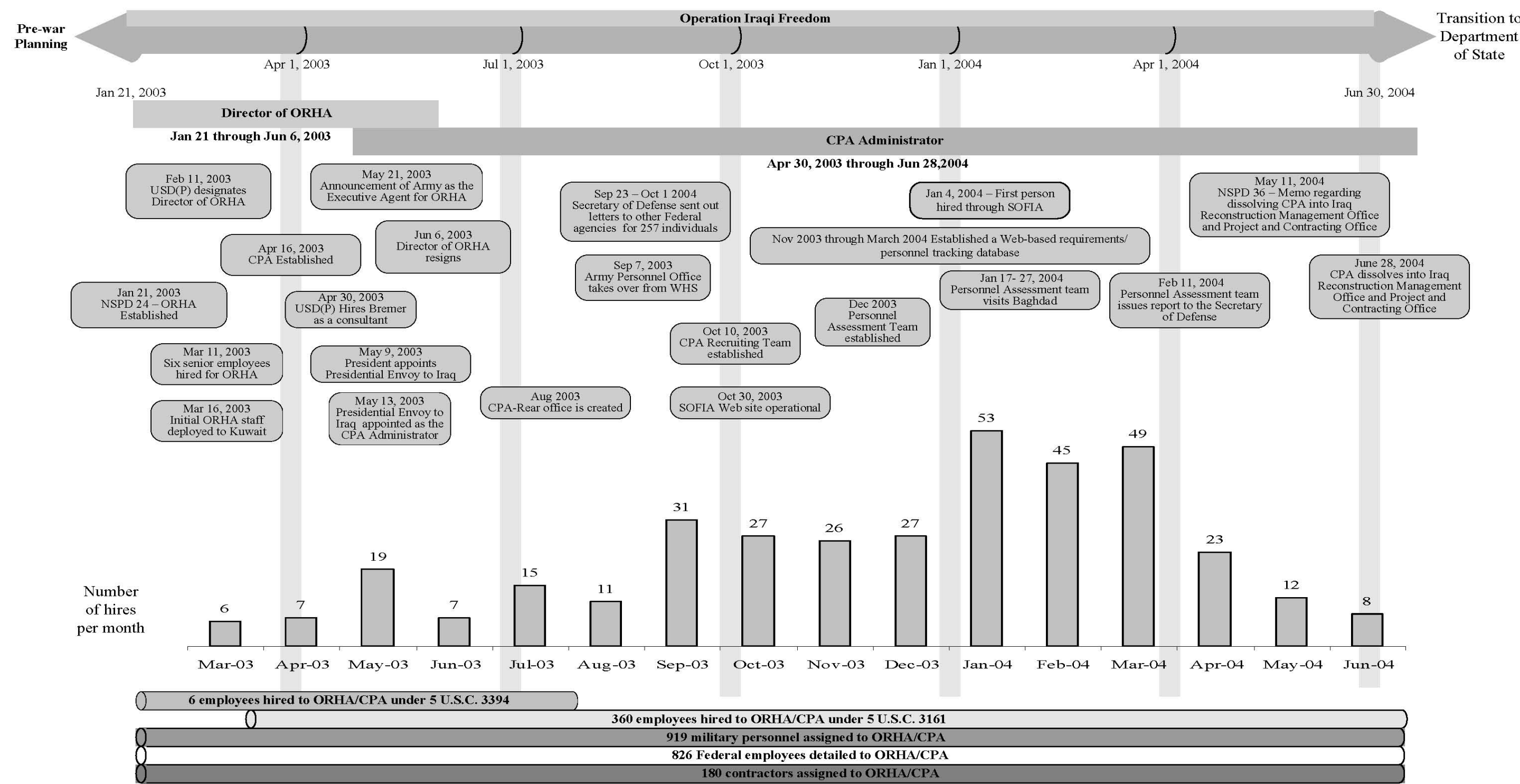
Following are examples of job requirements that were not fully met by the 128 individuals who qualified only partially for the positions they were hired to fill.

- Thirty-eight individuals did not meet the requirement of the knowledge of the organization and functional relationships within the DoD, CPA, or ORHA and their relationships with other Cabinet-level agencies involved in the formation of policy and plans.
- Thirty-five individuals did not meet the requirement of the ability to take decisive action and speak with authority on behalf of senior officials in the Office of the Secretary of Defense, CPA, or ORHA in dealing with contacts or components inside and outside of DoD or CPA.
- Thirty-five individuals did not meet the requirement of knowledge of postwar security, reconstruction, civil administration, interim governance, humanitarian assistance, and expeditionary support.
- Thirty-four individuals did not meet the requirement of the ability to effectively negotiate conflicting views to develop policy in pursuit of national policies and goals and national objectives.
- Thirty-one individuals did not meet the requirement of the knowledge of qualitative and quantitative techniques for analyzing and measuring the effectiveness, efficiency, and productivity of programs, along with knowledge of the mission, organization, and work processes of programs throughout CPA or ORHA.

Appendix E. Involvement of Key Offices



Appendix F. Chronology of Key Events in the ORHA and CPA Hiring Process



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Reference



POLICY

OFFICE OF THE UNDER SECRETARY OF DEFENSE
2000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2000

August 14, 2008

MEMORANDUM FOR DEPUTY ASSISTANT INSPECTOR GENERAL
READINESS AND OPERATIONS SUPPORT

SUBJECT: Hiring Practices Used To Staff Iraqi Provisional Authorities
(Project No. D2006DINT01-0077.000)

The Acting Under Secretary of Defense for Policy has asked me to respond to your July 23, 2008 memo requesting our office to comment on the above draft report.

Attached to this memo is a comment matrix containing specific OUSD(P) comments on the text and recommendations of the draft report.

As a general comment, we note that the draft report does not directly address the question, raised in the congressional request for this report, whether some of the individuals sent to work in the Iraqi provisional authorities lacked appropriate qualifications. If the available information is sufficient, or insufficient, to answer this question, you may wish to consider so stating in the report.

Thank you for giving us the opportunity to comment on this draft.

Michael H. Mobbs
Staff Director & Special Advisor to the
Under Secretary of Defense for Policy

Attachment: as stated

Added Appendix
D, Pages 25-32

Under Secretary of Defense for Policy Comments on the Initial Draft Report

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UNCLASSIFIED

OSD(P)
Comment Resolution Matrix
Review and Comment On

Draft DODIG Report "Hiring Practices To Staff the Iraqi Provisional Authorities"

ORG/ REVIEWER	Pg#	Para #	Line #	Class	Comments	A/R/P
OSD(P) Michael H. Mobbs, 703-697- 6267	1	3	25	U	<p>Critical</p> <p>Change: "As a result, the Commander of the Coalition Forces established CPA to provide security and stability in Iraq."</p> <p>To: "Exercising his authority under the law of armed conflict, the Commander of the Coalition Forces established CPA on April 16, 2003, to exercise the powers of government in Iraq temporarily and particularly to provide security and stability."</p> <p>Justification: The sentence states the purpose of CPA too narrowly, and incorrectly states that CPA was established "as a result" of ORHA's not being configured to provide security, etc. ORHA was never intended to have that function. CPA was created to exercise temporary governing powers as a logical, necessary use of the Commander's authority under the law of armed conflict, not as a result of anything regarding ORHA. The fact that the Commander created CPA the same day</p>	

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					the report says the ORHA team arrived in Iraq (April 16, 2003) further illustrates that the one had nothing to do with the other.	
OUSDP(P) Michael H. Mobbs, 703-697-6267	3	1	9	U	<p>Critical</p> <p>Change: "DoD should prepare for future contingencies by establishing a framework to document hiring and staffing actions to ensure civilians are promptly assigned, deployed, and accounted for."</p> <p>To: "DoD should prepare for future contingencies by continuing to establish a framework to document hiring and staffing actions to ensure civilians are promptly assigned, deployed, and accounted for."</p> <p>Justification: To recognize that the recommended activity is already underway, as the report observes later in the "Initiatives Since 2004" section, and to conform to other changes to that section recommended below.</p>	
OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities	7	2	7	U	<p>Critical</p> <p>Change: "DoD Directive 3000.05, "Military Support for Stability, Security, Transition, and Reconstruction Operations," November 28, 2005, provides policy for planning, training, and supporting interagency efforts associated with stability, security, transition, and reconstruction</p>	

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Note: Names have been removed in accordance with OMB Memorandum 07-16, "Safeguarding Against and Responding to the Breach of Personally Identifiable Information," May 22, 2007.

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					operations." To: "DoD Directive 3000.05, "Military Support for Stability, Security, Transition, and Reconstruction Operations," November 28, 2005, establishes policy and assigns responsibilities within the Department of Defense for planning, training, and preparing to conduct and support stability operations." Justification: Consistency with DODD 3000.05	
OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities 	7	2	10	U	Critical Change: "The directive assigns USD (P&R) responsibility for developing staffing procedures for these interagency operations and promulgating any required legislative or policy changes." To: "The directive assigns USD (P&R) responsibility to 1) Identify personnel and training requirements for stability operations and evaluate DoD progress in developing forces to meet those requirements and 2) develop methods to recruit, select, and assign current and former DoD personnel with relevant skills for service in stability operations assignments, and recommend necessary changes to laws, authorities, and regulations related thereto."	



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Reference

					Justification: Consistency with DODD 3000.05 and these responsibilities are most relevant to this report.	
OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities 	7	3	16	U	Critical Add: "It further assigns responsibility for coordinating and leading integrated United States Government reconstruction and stabilization efforts to the Secretary of State." Justification: Consistency with NSPD-44 and clarifies responsibilities of Departments/Agencies with respect to the topic of this report.	
OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities 	7	3	16	U	Critical Change: "NSPD-44 directs DoD, in conjunction with the Department of State, to develop a framework to coordinate these activities to establish clear accountability and responsibility." To: "Under NSPD-44, DoD, along with other Executive Department/Agencies, is directed to identify and develop internal capabilities for planning and for resource and program management that can be mobilized in response to crises. Further, DoD and other Departments/Agencies are directed to identify current and former civilian employees skilled in	


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Note: Names have been removed in accordance with OMB Memorandum 07-16, "Safeguarding Against and Responding to the Breach of Personally Identifiable Information," May 22, 2007.

Under Secretary of Defense for Policy Comments on the Initial Draft Report

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Reference

					<p>crisis response and to establish mechanisms to reassign or reemploy these skilled personnel rapidly in response to a crisis. NSPD-44 also specifically identifies the need for the Secretaries of State and Defense to coordinate on a general framework for fully coordinating stabilization and reconstruction activities and military operations at all levels where appropriate. "</p> <p>Justification: Consistency with NSPD-44 and clarifies responsibilities of Departments/Agencies with respect to the topic of this report.</p>	
<p>OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities</p> 	7	3	19	U	<p>Substantive</p> <p>Change: "The Principal Director for the Office of the Under Secretary of Defense for civilian Personnel Policy, USD (P&R) reported that her office is revising current civilian personnel policy guidance to provide a framework for building greater expeditionary capability in the DoD civilian workforce."</p> <p>To: (Create new paragraph.) "In response to NSPD-44 and DoD Directive 3000.05, the Principal Director for the Office of the Under Secretary of Defense for Civilian Personnel Policy, USD (P&R) reported that her office is revising current civilian personnel policy guidance to provide a framework for building greater expeditionary capability in the DoD civilian</p>	

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Note: Names have been removed in accordance with OMB Memorandum 07-16, "Safeguarding Against and Responding to the Breach of Personally Identifiable Information," May 22, 2007.

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					workforce.” Justification: Improved organization resulting from other changes and clarification of the reason for the USD (P&R) initiative.	
OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities [REDACTED]	7	4	27	U	Substantive Delete: “For future operations, DoD must maintain a complete and accurate database of civilian personnel assigned to interagency efforts and maintain complete and accurate personnel records for those civilians deployed.” Justification: This paragraph is written as a recommendation, not a finding.	
OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities LTC [REDACTED]	7		27	U	Critical Add (new paragraph): “The DoS, per NSPD-44 guidance, currently leads an interagency effort to establish a Civilian Response Corps (CRC). The CRC concept comprises an active, standby, and reserve personnel component intended to provide a non-DoD civilian capacity to support United States Government reconstruction and stabilization activities. It is DoD policy to support this initiative and provide assistance where	

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					<p>applicable. The USD (P&R) revision of personnel policy to provide a framework to improve the expeditionary capability of the DoD civilian workforce is complimentary to this effort."</p> <p>Justification: Highlights complimentary efforts of DoS and DoD to increase civilian capacity and capability to support USG R&S operations. Also reiterates recent SecDef Congressional testimony supporting the DoS CSI.</p>	
<p>OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities</p>	7	5	34	U	<p>Critical</p> <p>Change: "We recommend that the Under Secretary of Defense for Personnel and Readiness, in coordination with Under Secretary of Defense for Policy, establish a framework consistent with National Security Presidential Directive 44 that enables DoD to effectively staff contingencies such as humanitarian, stabilization, and interagency operations with civilians and defines departmental roles and responsibilities for supporting these operations."</p> <p>To: "We recommend that the USD (P&R), in coordination with Under Secretary of Defense for Policy, continue development of a framework, consistent with National Security Presidential Directive 44 and DODD 3000.05, which enables DoD to effectively staff contingencies such as humanitarian, stabilization, and interagency</p>	

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Note: Names have been removed in accordance with OMB Memorandum 07-16, "Safeguarding Against and Responding to the Breach of Personally Identifiable Information," May 22, 2007.

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					<p>operations with civilians and defines departmental roles and responsibilities for supporting these operations. Further, the USD (P&R) should closely coordinate development of the framework with the DoS CSI to ensure complementary planning and use of these new civilian capabilities."</p> <p>Justification: Consistent with changes recommended to "Initiatives Since 2004" section.</p>	
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Under Secretary of Defense for Policy Comments on the Revised Draft Report

Final Report
Reference



POLICY

OFFICE OF THE UNDER SECRETARY OF DEFENSE
2000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2000

September 29, 2008

MEMORANDUM FOR DEPUTY ASSISTANT INSPECTOR GENERAL
READINESS AND OPERATIONS SUPPORT

SUBJECT: Hiring Practices Used To Staff Iraqi Provisional Authorities
(Project No. D2006DINT01-0077.000)

The Under Secretary of Defense for Policy has asked me to respond to your September 15, 2008 memo requesting our office to comment on the above draft report.

Attached to this memo is a comment matrix containing specific OUSD(P) comments on the text and recommendation of the draft report.

We believe the recommendation in the draft report needs to be clarified and expanded, in order to reflect that the action you have recommended is in fact already ongoing in the Defense Department, but that the Department of State has overall responsibility to implement NSPD-44 and to lead the interagency effort to establish a Civilian Response Corps. Defense is in a support role to State and must closely coordinate with State per DODD 3000.05. The attached comments include our requested change to the proposed recommendation.

Thank you for giving us the opportunity to comment on this draft.

MOBBS.MICHAEL
H.1254215054

Digitally signed by MOBBS.MICHAEL,
H.1254215054
DN: cn=US, o=U.S. Government,
ou=DOD, ou=PR, ou=OSD,
cn=MOBBS.MICHAEL.H.1254215054
Date: 2008.09.29 12:28:36 -04'00'

Michael H. Mobbs
Staff Director & Special Advisor to the
Under Secretary of Defense for Policy

Attachment: as stated

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Under Secretary of Defense for Policy Comments on the Revised Draft Report

OUSD(P)
Comment Resolution Matrix
Review and Comment
September 29, 2008


Draft DODIG Report "Hiring Practices To Staff the Iraqi Provisional Authorities"

ORG/ REVIEWER	Pg#	Para #	Line #	Class	Comments	A/R/P
OUSD(P) Michael H. Mobbs, 703-697- 6267	4	1	7	U	<p>Critical</p> <p>Change: "DoD should prepare for future contingencies and establish a framework to fully document hiring and staffing actions to ensure civilians are appropriately and promptly assigned, deployed, and tracked."</p> <p>To: "DoD should prepare for future contingencies by continuing to establish (as discussed below) a framework to fully document hiring and staffing actions to ensure civilians are appropriately and promptly assigned, deployed, and tracked."</p> <p>Justification: To recognize that the recommended activity is already underway, as the report observes later in the "Initiatives Since 2004" section.</p>	
OUSD(P) Michael H. Mobbs,	5		Footnote 2	U	<p>Substantive</p> <p>Change: "Of the six individuals hired under 5</p>	

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Under Secretary of Defense for Policy Comments on the Revised Draft Report

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703-697-6267					<p>U.S.C. 3394, one left civil service in May 2003, three left civil service in June 2003, one left civil service in July 2003, and the remaining one left civil service by August 2003."</p> <p>To: "Of the six individuals appointed under 5 U.S.C. 3394, one left the appointment in May 2003, three left in June 2003, one left in July 2003, and the remaining one left by August 2003."</p> <p>Justification: The term "civil service" in this context could be misunderstood to mean "government service." While the six appointees left those particular positions as stated in the report, it is not the case that all six of them left government service.</p>	
OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities 	8	New	7	U	<p>Critical</p> <p>Add (new paragraph): "The DoS, per NSPD-44 guidance, currently leads an interagency effort to establish a Civilian Response Corps (CRC). The CRC concept comprises an active, standby, and reserve personnel component intended to provide a non-DoD civilian capacity to support United States Government reconstruction and stabilization activities. It is DoD policy to support this initiative and provide assistance where applicable."</p>	

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Note: Names have been removed in accordance with OMB Memorandum 07-16, "Safeguarding Against and Responding to the Breach of Personally Identifiable Information," May 22, 2007.

Under Secretary of Defense for Policy Comments on the Revised Draft Report

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					<p>Justification: The report does not make clear that NSPD-44 assigns overall responsibility to implement the document to the Department of State. It is important that this is clear in order to place in context DoD's role in the initiatives undertaken since 2004. This new text establishes context for the proposed changes to the "Recommendations" paragraph provided below.</p>	
OSD(P) ASD SO/LIC & IC, Stability Operations and Capabilities 	8	4	23	U	<p>Critical</p> <p>Change: "Recommendation; We recommend that the Under Secretary of Defense for Personnel and Readiness, in coordination with the Under Secretary of Defense for Policy, establish a framework consistent with National Security Presidential Directive 44 that enables DoD to effectively staff contingencies such as humanitarian, stabilization, and interagency operations with civilians and defines departmental roles and responsibilities for supporting these operations."</p> <p>To: "Recommendation; We recommend that the USD for Personnel and Readiness, in coordination with the Under Secretary of Defense for Policy, continue development of a framework, consistent with National Security Presidential Directive 44 and DODD 3000.05, which enables DoD to</p>	

Revised, Page 14

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Note: Names have been removed in accordance with OMB Memorandum 07-16, "Safeguarding Against and Responding to the Breach of Personally Identifiable Information," May 22, 2007.

Under Secretary of Defense for Policy Comments on the Revised Draft Report

					effectively staff contingencies such as humanitarian, stabilization, and interagency operations with civilians and defines departmental roles and responsibilities for supporting these operations. Further, the USD (P&R) should closely coordinate development of the framework with the DoS CSI to ensure complimentary planning and use of these new civilian capabilities.” Justification: Consistent with changes recommended to the “Initiatives Since 2004” section, and highlights complimentary efforts of DoS and DoD to increase civilian capacity and capability to support USG R&S operations. It also makes clear that the USD (P&R) effort must be coordinated with the Department of State’s Civilian Response Corps effort. This type of wording reemphasizes recent SecDef Congressional testimony and speeches supporting the DoS CSI and DoD’s general support and collaboration with other Government Departments/Agencies in operations such as those described in this report (stabilization, humanitarian, disaster response, etc.).	
OUSD(P) Michael H. Mobbs, 703-697-	17	1	2	U	Critical Change: “According to the Principal Deputy USD(P), he recruited and recommended one	

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Under Secretary of Defense for Policy Comments on the Revised Draft Report

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Reference

6267					<p>ORHA official who worked in his office.”</p> <p>To: “The USD(P) recruited and recommended one ORHA official who worked in his office.”</p> <p>Justification: If this sentence is referring to one of the six civilians initially appointed to limited emergency SES positions, as the context suggests, the sentence is factually inaccurate and should be changed as noted.</p>	
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Revised, Page 6

Under Secretary of Defense for Personnel and Readiness Comments on the Initial Draft Report

Final Report
Reference



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

AUG 18 2008

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: Response to DoDIG Report on "Hiring Practices Used To Staff the Iraqi Provisional Authorities" (Project No. D2007-D000LC-0051.000)

As requested, I am providing responses to the general content and recommendations contained in the subject report.

Documenting Personnel Actions (page 6)

DoD did not fully document personnel actions for the detailed civilians or new hires. According to the OPM "Guide to Processing Personnel Actions," revised April 6, 2003, and current as of December 23, 2007, notifications of personnel actions must be prepared for all accessions, conversions, and separations, as well as for all corrections and cancellations of these actions. A notification of personnel action is required both as official notification to the employee and as official documentation of actions. The employee must receive all notifications of personnel action. A copy of the notification of personnel action must be filed in the official personnel folder. Specifically, the organization gaining the detailed civilian should complete a standard form 52, "Request for Personnel Action," showing the organization and position to which the employee has been detailed, the effective date of the detail, and its not-to-exceed date. DoD and other Federal agencies did not process personnel actions for detailed civilians. Specifically, we reviewed 464 detailed civilians' personnel files and found that 3 contained completed personnel action forms.


Response: Partial Concur. We agree with the objective and policy to establish accountability procedures for civilians in overseas contingency operations. Notwithstanding, we do not concur with your interpretation. The OPM "Guide to Processing Personnel Actions", revised on April 6, 2003, and current as of December 23, 2007, on Table 14-A., Rule #2 Documentation of Details prescribes that if a detail is "to a position that is identical to the employee's current position or is in the same grade, series, and basic duties as the employee's current position", then no documentation is required. The Report doesn't indicate whether you have found evidence that the details were made to positions that were not identical to basic duties of the employee's current position. However, because of the reasons stated in the Report, the Department instituted policy effective June 23, 2006, to require that a Request for Personnel Action (RPA) be created to document the (unclassified) deployment of appropriated fund employees to military contingency operations overseas. The Department issued a subsequent memorandum on

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Under Secretary of Defense for Personnel and Readiness Comments on the Initial Draft Report

February 8, 2008, to emphasize the requirements for documenting the assignment of DoD civilian employees to military contingency operations overseas.

Please contact [REDACTED], who can be reached at [REDACTED], or via email at [REDACTED], if additional information is required.



Patricia S. Bradshaw
Deputy Under Secretary
Civilian Personnel Policy

Note: Names have been removed in accordance with OMB Memorandum 07-16, "Safeguarding Against and Responding to the Breach of Personally Identifiable Information," May 22, 2007.

Under Secretary of Defense for Personnel and Readiness Comments on the Revised Draft Report



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

September 29, 2008

MEMORANDUM FOR DEPUTY ASSISTANT INSPECTOR GENERAL READINESS AND OPERATIONS SUPPORT

SUBJECT: Hiring Practices Used To Staff Iraqi Provisional Authorities
(Project No. D2006DINT01-0077.000)

The Under Secretary of Defense for Personnel & Readiness has asked me to respond to your September 15, 2008 memo requesting our office to comment on the above draft report.

Attached to this memo is a comment matrix containing specific USD P&R (CPP) comments on the text and recommendation of the draft report.

We believe the recommendation in the draft report needs to be clarified and expanded, in order to reflect that the action you have recommended is in fact already ongoing in the Defense Department but that the Department of State has overall responsibility to implement NSPD-44 and to lead the interagency effort to establish a Civilian Response Corps. The Department of Defense is in a support role to the Department of State and must closely coordinate with State per DODD 3000.05. The attached comments contain our requested change to the proposed recommendation.

Thank you for giving us the opportunity to comment on this draft.


Marilee Fitzgerald
Principal Director
Civilian Personnel Policy

Under Secretary of Defense for Personnel and Readiness Comments on the Revised Draft Report

Final Report
Reference

UNCLASSIFIED

Comment Resolution Matrix
Review and Comment

Draft DODIG Report "Hiring Practices To Staff the Iraqi Provisional Authorities"

ORG/ REVIEWER	Pg#	Para #	Line #	Class	Comments	A/R/P
ODUSD P&R (CPP) Marilee Fitzgerald, 703-571- 9284	8	4	23	U	<p>Critical</p> <p>Change: "Recommendation. We recommend that the Under Secretary of Defense for Personnel and Readiness, in coordination with the Under Secretary of Defense for Policy, establish a framework consistent with National Security Presidential Directive 44 that enables DoD to effectively staff contingencies such as humanitarian, stabilization, and interagency operations with civilians and defines departmental roles and responsibilities for supporting these operations."</p> <p>To: "Recommendation We recommend that the Under Secretary of Defense for Personnel and Readiness, in coordination with the Under Secretary of Defense for Policy, continue the development of policies and authorities to support a new model for sourcing global expeditionary workforce requirements consistent with National Security Presidential Directive 44 and DoDD 3000.05,</p>	

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					which enables DoD to effectively staff requirements to support combat; contingencies; emergency operations; humanitarian missions; disaster relief; restoration of order in civilian disorders; drug interdiction; and security, stability and reconstruction missions with civilians and defines departmental planning and use of these new civilian capabilities." Justification: Consistent with recommendations of the Defense Human Resources Board on the proposed Civilian Expeditionary Workforce framework and policies of August 21, 2008.	

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OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

SPECIAL ASSISTANT

August 13, 2008

MEMORANDUM FOR THE DEPUTY ASSISTANT INSPECTOR GENERAL
(READINESS AND OPERATIONS SUPPORT)

SUBJECT: Response to DOD-IG Draft Report on CPA Hiring Practices

Reference: DOD-IG Memorandum, dated July 23, 2008; subject: Hiring Practices Used To Staff the Iraqi Provisional Authorities [Draft Report] (Project No. D2007-D000LC-0051.000)

Forwarded herewith is the requested response to the referenced document. During the preparation of this response, it became apparent that the submission of additional records of e-mail traffic regarding the issue of a CPA personnel database would be helpful to the finalization of this report. Those e-mails are being assembled and will be submitted as an addendum to this report within the next 24 hours.

Enclosure (1)
As stated

James H. O'Beirne
Special Assistant to the Secretary of Defense
for White House Liaison

Note: The WHLO Special Assistant redacted the names from his comments.

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1. PRESENTATION OF THE CRITICISMS OF DOD HIRING PRACTICES

The DOD-IG Document entitled, Hiring Practices Used To Staff the Iraqi Provisional Authorities [Draft Report] (Project No. D2007-D000LC-0051.000) constitutes DOD's response to a letter to Mr. Thomas F. Gimble, dated September 19, 2006, from three members of the United States Senate (Charles E. Schumer, Richard Durbin, and Frank Lautenberg). The substance of their concerns is presented below in several extracts from the referenced letter (Underlined emphasis added).

- "We are deeply concerned about recent reports about the Department's hiring practices with respect to the CPA. Specifically, a recent report in the *Washington Post* raises serious concerns about the Department's designation of many of these position as political appointments rather than civil services [sic] slots and calls into serious question the experience and qualifications of at least some of the individuals sent to work in the CPA...."
- "... Recent reports indicate that some of these employees lacked any experience in the areas they were working. For example, a 24-year old, who had no background in finance was charged with opening Baghdad's stock exchange...."
- "...The Department of Defense, perhaps more than any other agency in our federal government, must be beyond the reach of politics. Where vital duties include protecting our troops and creating a stable Iraq, there is no room for anything other than the most highly qualified, experienced employees. When American lives are at risk, professionalism, not politics, must be the rule...."
- "...We are calling upon you to investigate the hiring practices for the CPA. In particular, your investigation should examine the appropriateness of designating these positions as political rather than civil service positions, and the qualifications of those sent to Iraq to work in the Coalition Provisional Authority. In addition, please identify the authority for hiring this large number of personnel as non-civil service designees..."
- "...On a matter of this import, we trust that we will see the results of your investigation as quickly as possible..."

Restated somewhat more concisely, their concerns constitute serious criticisms of DOD, both implicit and explicit, as follows:

- DOD improperly politicized the CPA hiring process by
 - Designating numerous positions as political appointments that should have been designated as civil service slots, (Explicit) and

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- Filling some, if not many, of those improperly designated positions with incompetent employees, e.g. the Baghdad stock exchange example (*Explicit*), thereby
- Putting the lives of other Americans in Iraq at risk (*Implicit*).

The three Senate co-signers request a timely investigation that addresses the following points:

- DOD hiring practices for CPA. Specifically,
 - The appropriateness of designating these positions as political rather than civil service positions, and
 - The qualifications of those sent to Iraq to work in the Coalition Provisional Authority; and in addition,
- The identification of the authority for hiring this large number of personnel as non-civil service designees.

In light of the fact that the Special Inspector General for Iraq (SIGIR) had conducted a thorough review of DOD performance during the tenure of the CPA almost a year prior to the September 19, 2006 date of the referenced letter and had forwarded the report to the Congress early in 2006, it is appropriate then to identify and examine the cause that prompted the three co-signers to request that the DOD-IG conduct a redundant review of the hiring practices issue almost nine months later.

The referenced letter alludes to the reason as “... a recent report in the *Washington Post*...” A more complete description of the Washington Post report would have identified it as an excerpt from a newly published book entitled, Imperial Life in the Emerald City: Inside Iraq’s Green Zone by Rajiv Chandrasekaran, a Washington Post employee.

This book contains numerous egregious errors in the form of false or unsubstantiated allegations about DOD activities during the CPA tenure. All the concerns listed by the three Senate co-signers of the referenced letter are restatements of such claims presented in this book. Had the staff of any of the co-signers pressed Chandrasekaran for specifics to support his charges; had they reviewed the legislation passed by Congress that established DOD’s legal authority to act as it did; or had they made the most cursory informal inquiries at DOD, they would have had to consider the possibility, if not the probability, that the book was a deeply flawed partisan polemic rather than a serious and accurate catalogue of DOD deficiencies and shortcomings.

The three Senate co-signers state in their letter that, “*The Department of Defense, perhaps more than any other agency in our federal government, must be beyond the reach of politics.*” While such a principle is unassailable, the context in which it is presented clearly suggests that DOD officials had failed to adhere to it and had improperly acted politically in staffing the CPA. However, there is an alternate and more likely possibility. Considering that the referenced letter was issued without the minimal precautions

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mentioned above, just seven weeks before a hotly contested mid-term election, and without bipartisan support (all three so-signers are members of the opposition party), it is actually more likely that the referenced letter was principally political in its content and purpose, a clear violation of the stated principle.

Considering the delicate role that the DOD-IG must perform in being the dispassionate and disinterested arbiter of complex and contentious issues and the importance of its close and continuous working relationship with the Congress, it would be exceedingly awkward at best for the DOD-IG to reverse the valence of the political charge and suggest, in light of the discussion above, that it was actually the Senate co-signers of the referenced letter who were attempting for partisan advantage to improperly pull DOD into the orbit of electoral politics.

Nevertheless, in absolute fairness to the individuals who participated in the hiring process and especially to those who were selected to serve on the CPA staff, some of whom were killed in Iraq, if the results of the IG investigation suggest that such a conclusion is valid, then that fact should be acknowledged. A measure of such validity would be the complete absence of any of the offending actions alleged in the referenced letter.

The IG report should answer the criticisms, both explicit and implicit, of the co-signers and fulfill the specific investigatory requests made by them.

2. DISCUSSION OF THE CRITICISMS

- DOD improperly politicized the CPA hiring process.

This implicit criticism has merit only if both of the explicit criticisms listed below are proven factual.

- Designating numerous positions as political appointments that should have been designated as civil service slots

This charge mirrors the erroneous allegation from the Chandrasekaran book that I and my staff “used an obscure provision in federal law to hire many CPA staffers as temporary political appointees....”

However, as the draft DOD-IG report states unambiguously,

“DOD appropriately used section 3394, title 5 United States Code (5 U.S.C. 3394) “Noncareer and Limited Appointments” and 5 U.S.C 3161, “Employment and Compensation of Employees” as the staffing authority to assign personnel to ORHA and CPA during their 16 months of existence....”

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The Draft Report states elsewhere that,

“...the Under Secretary of Defense for Personnel and Readiness (USD[P&R]) requested guidance from OPM on how to approach the staffing of a temporary organization. OPM recommended using 5 U.S.C. 3161 authority, which authorized excepted service appointments to a temporary organization. The appointments were not political or policy-determining positions, but Schedule A excepted service positions....”
(Emphasis added.)

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When taken together, these excerpts from the Draft Report clearly demonstrate that the allegations quoted above from both the referenced letter and the Chandrasekaran book are false. However, the IG Draft Report could have presented that conclusion more concisely and directly by stating that “DOD did not designate any of these [CPA] positions as political appointments.”

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- Filling some, if not many, of those improperly designated positions with incompetent employees, e.g. For example, a 24-year old was charged with opening Baghdad’s stock exchange.

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This charge echoes another erroneous allegation from the Chandrasekaran book that “Many of those chosen...to work for the Coalition Provisional Authority, which ran Iraq’s government from April 2003 to June 2004, lacked vital skills and experience”

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The Draft Report lists a combined total of 366 personnel hired by DOD for both ORHA and CPA (six for ORHA and 360 for CPA). However, at no point does it address directly the critical question of the adequacy of the skills and experience of those CPA personnel appointed under 5 U.S.C 3161. Even allowing for the difficulties described elsewhere in the report regarding incomplete documentation, by the report’s own accounting, there were certainly more than enough personnel files available upon which to form an opinion on the general validity of the criticism. But the Draft Report is completely silent on this critical point. Such silence invites confusion. Some may argue that the report’s silence allows the criticism to stand unchallenged; others might hold that the report’s silence suggests that no evidence was found to support the criticism. Since the purpose of the investigation was in part to identify deficiencies and shortcomings, the latter interpretation is the more logical. Nevertheless, such ambiguity can only undercut the credibility of a significant DOD-IG investigatory effort that stretches back almost two years.

Added Appendix
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Since the referenced letter does cite a single specific allegation that “a 24-year old who had no background in finance was charged with opening Baghdad’s stock exchange,” that criticism, at a minimum, should be answered. The phrasing of the criticism in the letter creates the impression that the individual was hired to do a job for which he had neither experience nor skill. If true, that would indeed constitute a serious deficiency in hiring practices. However, it was not true. The individual involved was not hired to open the stock exchange. He was hired as a junior assistant to a senior financial advisor in the CPA headquarters (Baghdad), a position for which his qualifications were entirely

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satisfactory. However, sometime after he arrived for duty in Baghdad, he was instructed by that senior official to work at the stock exchange. If CPA employees, once in Baghdad, were directed, because of exigencies on the ground, to perform duties other than or in addition to those for which they were hired in Washington, that fact in no way reflects negatively upon the integrity of the recruitment and hiring process.

One additional example of the specious merit of the "recent report" mentioned in the referenced letter and upon which the co-signers relied, namely the Chandrasekaran book excerpt, may be helpful. The author alleges that "...the daughter of a prominent neoconservative commentator... [was] tapped to manage Iraq's \$13 billion budget, even though [she] didn't have a background in accounting .."

Once again, if the allegation were true, it would indicate a serious deficiency in hiring practices. However, as in the previously cited case, it was not true. The woman in question was hired in response to a requirement received from [Name redacted - CPA Pentagon Chief of Staff], which read in part,

-----Original Message-----

From: [Name redacted - CPA Personnel Officer in Baghdad]

Sent: Tuesday, September 02, 2003 2:31 PM

To: jim.obeirne@osd.pentagon.mil

Subject: Message from [Name redacted - CPA Pentagon Chief of Staff] in Baghdad
Jim,

[Name redacted]*, Senior Advisor of the OMB office, urgently needs 10 people to help him work up to the Donors' Conference. He needs these people for six weeks. [He] says they do not have to be budget analysts. They just need to be smart, hard-working young professionals. [Emphasis added] Do you have other Defense Fellows, like [Name redacted] who might be available? Do you now [sic] of another pool?

[Name redacted - CPA Pentagon Chief of Staff]

*Former Deputy Under Secretary of Defense in the Clinton Administration [Expl. Note added.]

In a later e-mail regarding the possibility of follow-on assignments in Iraq for the ten people in question, the following exchange took place between [Name redacted - CPA Pentagon Chief of Staff] and [Name redacted - Senior Advisor of the OMB office].

-----Original Message-----

From: [Name redacted - CPA Pentagon Chief of Staff]

Sent: Wednesday, September 17, 2003 3:16 PM

To: OBeirne, Jim, CIV, OSD

Cc: ... [Name redacted - Senior Advisor of the OMB office]

Subject: RE: International Donors Conference Staff Processing

I want to adjust one thing: the length of tour. Six weeks is too short.

These people are young, hard working professionals. After they finish their Donors' Conference gig, there certainly must be admin assistant, personnel, or other mid-level requirements they could fulfill. They must be dedicated, or otherwise they would not have volunteered. If one or two turn

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out to be slugs, sent [sic] them home. But keep the best and brightest so we do not have to keep re-filling slots.

[Name redacted - CPA-Pentagon Chief of Staff]

-----Original Message-----

From: [Name redacted - Senior Advisor of the OMB office]

Sent: Wednesday, September 17, 2003 11:24 PM

To: ... O'Beirne, Jim, CIV, OSD, ...

Subject: RE: International Donors Conference Staff Processing

I absolutely agree!

[Name redacted - Senior Advisor of the OMB office]

The woman in question was one of the best and brightest that [Name redacted - Senior Advisor of the OMB office] agreed to retain in Baghdad after the International Donors' Conference in Madrid had been completed. She had not previously spoken to Chandrasekaran prior to his Washington Post article, but she actually did have several years of experience in finance and accounting positions; held an MBA from one of the most respected universities in Europe; and spoke fluent Italian (one of the languages of the Coalition). But more to the point, she was given no role whatsoever in the management of the \$13 billion Iraqi budget. She was given certain budget execution duties among which was the specific task of delivering wage payments in cash under guard in an armored Humvee to Iraqi civilian security personnel at critical infrastructure facilities outside the Green Zone.

When she subsequently contacted Chandrasekaran to inform him of these facts, he pressed to learn whether she had had any pre-war experience paying people from a motor vehicle. She wondered where such "relevant" experience might be gained, e.g. selling narcotics on the streets of the inner city, vending ice cream from a Good Humor truck, etc. In any event, Chandrasekaran, printed a correction the following day in the Washington Post which read,

"A September 17th article incorrectly said that one person who helped manage Iraq's budget had no background in accounting. The woman, described as the daughter of a prominent neoconservative commentator, has a background in accounting but lacked experience managing the finances of a large organization." (Emphasis added.)

Thus, the correction falsely implied that she did have management responsibility, when he then knew that such an implication, which repeated his earlier assertion, was categorically false. It is possible that Chandrasekaran didn't understand the difference between management of a budget and execution of a budget. It also possible that the facts just didn't support his story line? Either way, taken together the original assertion and the disingenuous correction constitute sloppy scholarship at best and dishonest scholarship at worst.

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The first line contacts in Baghdad dealing with CPA hiring were [Name redacted - Ambassador for Management from the US Mission to the United Nations] seconded to the CPA, and [Name redacted] who succeeded him. Both were senior career members of the Foreign Service. Neither of them would have had any patience or sympathy with an effort to politicize the personnel hiring process. They have never registered a criticism of this sort.

Neither the referenced letter, the Chandrasekaran book excerpt, nor the Draft Report cites a single credible instance of the hiring of an individual with inadequate skills or experience for the position for which hired.

- Putting the lives of other Americans in Iraq at risk.

To the extent that no evidence has been offered to suggest that DOD politicized the staffing of the CPA by the improper designation of positions as political appointments, nor has any evidence been offered that demonstrates that DOD hired individuals without the requisite skills and experience for the positions for which they were hired, it follows that there is no merit in the implied allegation that DOD hiring practices for civilian, non-combat positions on the CPA staff placed any American lives in Iraq at risk in any way.

3. ADDITIONAL ISSUES ADDRESSED IN THE DRAFT REPORT

The Draft Report contains descriptions of the hiring process and practices which in some cases are imprecise or somewhat misleading. To strengthen the credibility of the final report, it is imperative that these matters be clarified or corrected.

Standard Procedures and Command Guidance:

Staffing the CPA was conducted according to accepted DOD practice regarding cost control and in line with additional instructions received from the Deputy Secretary of Defense.

In the first place, appointments were to be made from the groups listed below in priority order listed. That is, the uniformed military communities were the option of first resort. If uniformed personnel were not available, then the DOD civilian community was canvassed. This methodology was applied down through the various personnel pools with the hiring of new civilians under the provisions of 5 U.S.C 3161 being the option of last resort. The underlying rationale for this approach was efficient stewardship of DOD resources. The use of contractors and the hiring of new civilian personnel, being the most costly of the available options, were to be used only when other government personnel were unavailable.

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- Military personnel (active and reserve)
- DOD civilian appointees and employees (detailed)
- Civilian appointees and employees from other Federal agencies (detailed)
- Contractors (under personal service contracts)
- Newly hired civilians (under 5 U.S.C. 3394 and 5 U.S.C. 3161)

In addition, the Deputy Secretary of Defense gave clear guidance that the hiring of civilian personnel under the provisions of 5 U.S.C 3161 was to be conducted in a strictly non-partisan manner. He charged me with oversight of that policy. His instructions were meticulously followed.

Records Management

At several places in the Draft Report, the DOD-IG team notes the inadequacy of personnel records with statements like the following,

"DoD did not maintain records to fully account for the personnel assigned to ORHA and CPA. DoD could not provide a list of personnel assigned to ORHA and CPA from March 2003 to June 2004...."

These are statements which are open to multiple interpretations. They could mean that records were not properly created at the time of the recruiting and hiring events, or they could mean that the records that were created at that time could not later be found for review and evaluation. Furthermore, since WHS and a supporting team of contract personnel were responsible for the administrative activities of the hiring process in the first months of the CPA tenure, but that support responsibility was later transferred to the Army, it is unclear whether the DOD-IG's difficulty with the issue of documentation refers to the WHS phase (OSD phase), the Army phase or both.

The Draft Report states that, "... we [DOD-IG Team] created a database of records who worked for ORHA and CPA...." This statement convinces me that the difficulties that the IG team faced in reviewing documentation were caused by problems of records archiving rather than records preparation and maintenance for the following reason. In the summer of 2003, as the CPA personnel requirements rapidly increased, it became evident to me that a computer-based relational database was essential to manage the CPA personnel account. I strongly advised the CPA-Pentagon Chief of Staff to have such a database prepared. As he appeared initially unfamiliar with this information technology, I volunteered to address the problem on CPA's behalf. Working initially with members of the Office of Networks Information Integration (NII) and later with the DA&M and designated officials in the Army, I canvassed, organized, and submitted to the Army database designers assigned to support this undertaking the key fields and prospective usages of the desired database. The database was produced and completely populated by members of the CPA - Pentagon Office by late January 2004 - midway through the tenure of the CPA - with the personnel information of all those assigned to CPA. The e-mail traffic documenting this effort that demonstrates its operational success is being assembled

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at this time and will be submitted to the DOD-IG as an Addendum to this response in the next 24-48 hours.

If personnel records were not properly prepared at the time, that would indicate a deficiency in hiring practices. However, if records simply could not be located several years after the deactivation of CPA (2007-2008), that would not reflect on hiring practices in 2003-2004. It might simply be an issue of faulty archiving or storage. The Draft Report should clarify that ambiguity.

Although not responsible for the administration of these records, I was privy to the daily activities of the WHS career staff in this undertaking, and I observed the careful and professional caliber of their work as well as the meticulous oversight and review of every hiring action conducted by the Director of Administration and Management (DA&M). The preponderance of the facts, i.e. the assertions of those responsible, support my belief that the paper records created at that time were appropriate to the hiring actions completed. If the DOD-IG cannot affirm that the records were adequate because those records cannot be found for examination, then the final report should so state. But the inability to find the relevant archived records for review is not sufficient justification to state that *"the Department's records did not fully account for these civilians."*

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Development of Hiring Activities Over the Tenure of the CPA

As indicated in the Draft Report, the early days of the American administration of Iraq immediately after the fall of Baghdad were marked by rapid change in the mechanisms of governance. What had been the plan for minimal, short-term (90-day) US presence in the re-emerging government of Iraq, namely ORHA, gave way rapidly to the significantly larger and longer term structure of CPA.

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As the Special Assistant to the Secretary of Defense for White House Liaison, I was the only senior member of the staff of the Immediate Office of the Secretary with full time personnel recruiting responsibility. In that capacity, I had initially volunteered and was then instructed by The Special Assistant to the Secretary of Defense to assist the Office of the Under Secretary for Policy during the ORHA phase to assist with the identification of candidates for approximately nine senior Iraqi ministerial advisory positions.

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[Name redacted] was designated as a Presidential Envoy to Iraq on May 9, 2003 and was appointed as the CPA Administrator four days later on May 13th. During a brief meeting at the Pentagon some days later just before he deployed to Baghdad, I offered my continued support. At that time, I advised him of the importance of regularizing and disciplining the personnel assignments process. He affirmed his understanding of the criticality of the personnel issue and indicated that a trusted career State department colleague, Ambassador [Name redacted], would be his chief of staff and would manage the CPA personnel system on his behalf.

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Over the next three months (June-August 2003), I worked closely with [Name redacted – CPA Chief of Staff] by telephone in what became a deluge of personnel staffing requests. My office became a clearinghouse for [his] requests for detail appointments from DOD and other federal agencies, for military personnel, and for individuals from the private sector. Some of the requests were by name; others were by requisite skill and experience. I simply transmitted the detail requests to the appropriate agencies, departments, and offices and focused my own efforts on required hiring from the private sector. The relative numbers involved across the entire duration of the CPA are displayed in the chart below:

% of Total	Number Assigned	Assigned Category of Employment
40.1%	919	Military personnel (active and reserve)
15.3%	350	DOD civilian appointees and employees (detailed)
22.3%	512	Civilian appointees & employees from other Federal agencies (detailed)
6.3%	141	Contractors (under personal service contracts)
16.0%	366	Newly hired civilians (under 5 U.S.C. 3394 and 5 U.S.C. 3161)
100.0%	2,291	Total CPA Strength

It became almost immediately evident that the level of personnel support required was beyond the capacity of my office to deliver. I, therefore, advocated strongly for the creation of a CPA- Pentagon back office to focus entirely upon CPA support requests emanating from Baghdad. When that office had been established and the director appointed in August 2003, I recommended to him that a full-time personnel recruiting team be brought aboard immediately as CPA employees in his office. He quickly approved that recommendation and acted upon it. From the establishment of the in-house CPA recruiting team in September 2003 through the disbanding of CPA on June 30, 2004, the vast majority of recruiting actions were handled by the members of that team. I remained in an oversight role throughout that time in accordance with the Deputy Secretary's instructions, but I gradually disengaged from the specific recruiting activities as the CPA team came up to speed.

In the first several months of the CPA era, those requests from Baghdad, which did not identify individuals by name, usually provided position descriptions with only minimal specificity, e.g. a given number of years of experience in a specific professional field; a certain level or scope of management, etc. In response to such requests, I attempted to identify and recruit the best qualified and experienced individuals available. Some participating in the recruiting referred to this as the "best athlete" methodology, simply to find the most qualified and available candidate in targeted subject area. In most cases, the candidates so identified and eventually recruited were overqualified for the positions that they finally occupied. The operational rule during those hectic first months was to err on the side of over-qualification rather than under-qualification.

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When the CPA recruiting team was established in September 2003, it rapidly put in place mechanisms, rules, and procedures that significantly improved and regularized the hiring practices. Most significantly, they recorded the following two achievements:

- They located and gained access to a position description (PD) database through which the U.S. Army routinely recruits some 60,000 career civilians per year. When, for example, a request from Baghdad would indicate a need for a “budget analyst”, the team would scan that database for budget analyst PDs. For most such requests, there might be a score of PDs written for multiple levels of education, skill, and experience. These descriptions would be electronically sent to Baghdad for review and selection of the most nearly appropriate or for additional modification to suit the intended purpose.
- The recruiting team simultaneously developed a publicly accessible website called “Support Our Friends in Iraq and Afghanistan” (SOFIA for short) on which the PDs approved in Baghdad would be advertised to the public to include additional information on the dangers, hardships, and environment to be expected. The result was a stream of targeted, self selected candidates for the vacancies in Iraq from which to choose the best qualified. Thus, the recruiting system actually matured in a *de facto* manner into a competitive enterprise.

Once the mechanisms, rules, and procedures were firmly in place, this team performed brilliantly through the very last day of CPA’s existence on June 30, 2004. A measure of the high regard in which its performance was held was the candid acknowledgement by senior officials of the Department of State that it had no comparable instrumentality to pick up the recruiting mission from DOD in the period after the transition from DOD to State Department control of ongoing governance support activities in Iraq. Accordingly, the State Department invited the entire DOD CPA recruiting team to transfer from DOD to the State Department. The team did so and performed in an exemplary manner as State Department employees over the following year. When one considers the friction and competition that often characterizes the DOD-State relationship, this event is of singular significance and reflects extremely well on the professionalism of the members of the team.

Therefore, when the Draft Report states, “No uniform process existed for identifying and recruiting personnel,” it unfairly conflates the absence of an existing mechanism or process at the time the CPA was established with the outstanding process developed later and put in place for much of its tenure.

The Draft Report also notes at one point that “not all candidates were interviewed.” This unelaborated statement could be improperly interpreted to mean that the process of interviewing potential candidates was haphazard or hit-and-miss. That was simply not the case. In the four years since the disbanding of the CPA, to my knowledge, there has been public mention of only a single individual who “was not interviewed.” In that particular instance, my office had received a requirement from [Name redacted], a former Deputy Under Secretary of Defense in the Clinton Administration, who was serving

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in a senior CPA post in Baghdad for the immediate deployment of ten people on a six-week assignment to canvass other officials of the CPA staff serving in the various Iraqi ministries for a project "wish list" to be presented to the international donor community at the conference to be held in Madrid in mid-October 2003. This type of clerical assignment could have been fulfilled satisfactorily by a college graduate of average intelligence. That one individual, "*who was not interviewed*", had been personally well known to me for over 10 years and was the holder of a MBA degree from a prestigious university. Considering those facts and the individual's willingness to deploy immediately, I deemed a formal interview in that single situation to be a waste of time.

Interview Process

The Draft Report states that, "...no standard questions were asked, nor was documentation maintained of the interviews." Without further elaboration, this observation implies that the interview process was cursory and insufficiently detailed. That is an inaccurate assessment.

To begin with, the positions filled through the "3161" hiring process were so varied and many so senior and demanding, that the notion that the preparation and presentation of some standard list of questions would have produced the desired results and given the process legitimacy is entirely misconceived. For example, what "*standard questions*" would have been appropriate to ask in interviews to fill such diverse positions as Director of Economic Affairs, Senior Advisor to the Ministry of Youth and Sport, CPA Internet Webmaster, Senior Advisor to the Ministry of Awqaf and Religious Affairs, etc. These portfolios were not suited to a menu of boilerplate questions. Interviews for such diverse posts were not the equivalent of a driver's examination at the department of motor vehicles or the litany of questions asked by government security investigators doing background security checks. Candidates were subjected to lengthy and detailed conversations about the challenges that awaited them and the things in their background that were germane to meeting those challenges. Candidates were routinely interviewed by subject matter experts available on the DOD staff in the areas of their prospective employment in addition to members of the personnel recruiting staff. For example, the Assistant Secretary of Defense for Health Affairs, among others, interviewed the individual under consideration to be the Senior Advisor to the Iraqi Ministry of Health.

The interview process employed typically produced recommendations like the following for the sampling of positions mentioned above:

Director of Economic Affairs – [Name redacted]

President of Michigan State University; former Head of United States Agency for International Development; former Chairman of the Board of the Overseas Private Investment Corporation; former Deputy Secretary of the U.S. Treasury Department.

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Reference

Senior Advisor to the Iraqi Ministry of Youth and Sport – [Name redacted]

Former Senior Advisor to the new Provisional Government, Department of Peace Keeping Operations (DPKO) in United Nations Mission in Kosovo, (UNMIK), Pristina, Kosovo; former Minister of the Ministry of Youth, UNMIK, Pristina, Kosovo.

Coalition Provisional Authority Internet Webmaster – [Name redacted]

Former US Marine Corps Arabic Linguist; Valedictorian from Defense Language Institute, Monterey, CA from Arabic Basic Course; subsequent to CPA service in Iraq awarded Fulbright Fellowship to study at the University of Damascus.

Senior Advisor to the Ministry of Awqaf & Religious Affairs – [Name redacted]

Former United States Ambassador to Qatar; internationally recognized for negotiating the end of 14 centuries of persecution of Christian practice in Qatar; former Director of the United States Peace Corps in the Yemen Arab Republic.

To my knowledge, there was no requirement in law or regulation to retain handwritten notes from personnel interviews. The interview process should rightly be measured and validated by its output. As mentioned earlier in this response, the Draft Report does not indicate a single instance in which an individual hired for a position lacked the credentials or experience to adequately perform that position.

The Vetting Process

The Draft Report states that, “*Before the DA&M approved the appointment of a candidate for a senior position, the candidate needed to clear a vetting process.*” The term vetting process needs some definition in this case. The Merriam-Webster dictionary defines the term “to vet” applicable in this context as, “*to evaluate for possible approval or acceptance.*” Therefore, the vetting process was inseparable from the interview process discussed above. What I believe the Draft Report is referring to in this instance is the approval process, i.e. the chain of officials whose recommendations were made to the individual with final hiring authority. This approval process underwent some refinement from the earliest days of the CPA to its eventual disbanding. The following brief summary presents its salient features.

- **Initial Phase of CPA Operations (May–August 2003)**

This phase refers to that period prior from the establishment of CPA back office in the Pentagon and the designation of its Director. During this phase, the approval process was as follows for the positions as indicated:

- **Senior personnel**

WHLO recommended vetted candidates to the CPA Chief of Staff in Baghdad who obtained and transmitted the CPA Administrator’s approval back to WHLO; WHLO then reported the Administrator’s decision forward to the Deputy Secretary of Defense; with his concurrence, the decision was forwarded to the Director of the Presidential Personnel Office

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for presentation to the White House Chief of Staff for his review. When this chain of approval and review was completed, WHLO advised the Director of Administration and Management, who had the DOD hiring authority.

- **All Other Than Senior Personnel**

WHLO recommended vetted candidates to the CPA Chief of Staff in Baghdad who exercised delegated final authority from the CPA Administrator to speak for CPA on personnel matters; the Chief of Staff then reported his decision back to WHLO who then advised the Director of Administration and Management who had the DOD hiring authority.

- **Latter Phase of CPA Operations (September 2003 – June 2004)**

Once the CPA-Pentagon back office was fully functioning with its own director and fully operational personnel recruiting team in place, the approval process changed as follows:

- **Senior personnel**

The CPA Personnel Team became the clearinghouse for recommendations from all sources; the team recommended vetted candidates to the Office Director who in turn recommended those individuals to the CPA Chief of Staff in Baghdad; the Chief of Staff obtained and transmitted the CPA Administrator's approval back to the Director's Office which in turn notified WHLO; the Administrator's decision was then forwarded to the Deputy Secretary of Defense; with his concurrence, it then went to the Director of the Presidential Personnel Office for presentation to the White House Chief of Staff for his review. When this chain of approval and review was completed, WHLO advised the CPA-Pentagon back office director and the Director of Administration and Management who had the DOD hiring authority.

- **All Other Than Senior Personnel**

The CPA Personnel Team became the clearinghouse for recommendations from all sources; the team recommended vetted candidates to the Office Director of the CPA-Pentagon Office to whom the CPA Administrator delegated final approval authority; the director's decision was sent to WHLO for concurrence which then advised the Director of Administration and Management who had the DOD hiring authority.

The Draft Report presents the following two observations in quick succession which are somewhat at cross purposes,

"We were unable to determine whether all 65 candidates went through the vetting process. However, according to the WHLO Special Assistant, DA&M and the CPA recruiting team, all new civilian personnel applying for senior positions were vetted." and

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"The human resource support and administrative support included developing position description, determining compensation, processing security clearances, drafting appointment memorandums, and compiling documents for review and approval. The WHLO Special Assistant reviewed the paperwork supporting a candidate's appointment before the DA&M received the package for approval. The DA&M approved all the new appointments for ORHA and CPA."

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In the first of the cited excerpts, the affirmations of two of the several senior DOD participants in the "vetting process" are evidently deemed insufficient to establish to the DOD-IG's satisfaction that the process was conducted as it has been described above and as it was explained to the members of the IG team during their investigation. If additional corroboration were required, then a 100% canvass of the participating senior DOD and White House officials would seem to have been in order. As written, the first excerpt, perhaps unintentionally, but nevertheless unfairly casts doubt on the reliability of the WHLO and the DA&M. However, the second excerpt describes a portion of the interview and approval process involving the WHLO and the DA&M that is completely compatible with the descriptions presented earlier. This conflict should be resolved in the final report.

The Special Assistant to the Secretary of Defense for White House Liaison

The Draft Report repeatedly refers to the Special Assistant to the Secretary of Defense for White House Liaison as though the position were not a senior DOD post,

"The hiring process involved DOD, the White House Liaison Office (WHLO), the Washington Headquarters Service (WHS), the CPA, and the White House. Senior DOD officials, the Deputy Special Assistant for the White House Liaison Office (WHLO Special Assistant), the CPA Administrator and his senior advisory staff, and officials from the White House recruited civilian candidates...." and

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"The WHLO Special Assistant, members of the CPA recruiting team, and senior DOD officials such as the Deputy Secretary of Defense and the DA&M interviewed some candidates...." and

Deleted

"Senior DOD officials as well as the WHLO Special Assistant ... participated in identifying and recruiting senior advisor candidates...."

Deleted

There seems to be either a misunderstanding of the status of the Special Assistant for White House Liaison (WHLO) or a questionable attempt to create a political status apart from the rest of the Bush Administration non-career appointees at DOD. If the former, it is inaccurate; if the latter, it is improper. The Special Assistant to the Secretary of Defense for White House Liaison is a senior DOD official, who is assigned to the Immediate Office of the Secretary of Defense and whose salary is paid for by the Department of Defense. Sometimes referred to as the WHLO (for White House Liaison Officer or Office), the principal duty of the WHLO is to identify, interview, and

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recommend candidates for non-career appointments to approximately 250 Administration position in the Department of Defense. The role of the WHLO in the CPA hiring process was to oversee its professional adequacy in a non-partisan manner according to explicit direction from the Deputy Secretary of Defense.

To clarify the status of the principal positions and portfolios mentioned in the course of this response to the Draft Report, the following lists are useful.

- **Senior DOD Officials**

- Deputy Secretary of Defense
- Director of Administration and Management (DA&M)
- Special Assistant to the Secretary of Defense for White House Liaison (WHLO)
- CPA Administrator (Baghdad)
- CPA Chief of Staff (Baghdad)
- CPA – Pentagon Office Director (Washington, DC)
- CPA – Pentagon Office Chief of Staff (Washington, DC)

- **Senior White House Officials**

- Chief of Staff
- Director, Presidential Personnel Office (PPO)

Organizational Chronologies

The Draft Report presents several dates in the Background section of the report. There are some dates missing in the presentation which could easily be addressed by completing the timeline below:

<u>Date missing</u>	ORHA established.
February 11, 2003	ORHA Director position established.
March 11, 2003	ORHA Director appointed.
April 16, 2003	ORHA Team arrives in Iraq.
May 9, 2003	Presidential Envoy to Iraq appointed.
<u>Date missing</u>	CPA established.
May 13, 2003	Presidential Envoy appointed CPA Administrator.
June 16, 2003	ORHA dissolved.
<u>Date missing</u>	CPA-Pentagon office established.
June 30, 2004	CPA dissolved.

I recommend that the dates in the Draft Report for the respective durations of the ORHA and CPA tenures be carefully reviewed so that the length of each phase is properly identified.

Pages 2-3

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Issues Not Presented in the Draft Report

Two issues that were not mentioned in the Draft Report merit consideration in the future, if DOD is ever confronted with a similar challenge to that of the re-establishment of the Iraq government.

- The inclusion of a historical office or the assignment of a unit historian in the headquarters of any future temporary DOD organization similar to ORHA or CPA whose mission it would be to capture and record for future review and analysis the problems confronted and lessons learned. I made such a suggestion to CPA officials in the summer of 2003, but it was lost in the turbulence of the contemporary operational environment.
- I also recommended the complementary establishment or employment of a debriefing mechanism, e.g. the Institute for Defense Analysis (IDA), to ensure that all civilian personnel, at a minimum, returning from the theatre of operations were given an opportunity to pass along their experiences and observations so that replacement personnel did not have to learn the same lessons from scratch. Most, if not all, CPA personnel simply returned from Iraq to their previous jobs in government or the private sector without reporting or recording their Iraq service in any organizationally useful way.

4. SUMMARY REMARKS

It is an uncomfortable fact that in the years since the existence of the CPA (2003-2004), there has grown up around that organization a sort of urban legend which purports that the DOD staffing process used to populate the CPA was crudely and unreservedly partisan – political in the worst sense of the word. An embellishment of the charge, made by political critics and opponents of the President, is that only individuals who were politically loyal to President Bush were selected to serve on the CPA staff, that political credentials trumped professional competence to the detriment of that organization in particular and of American interests in Iraq in general.

However, even the briefest reflection upon that hypothesis reveals its logical incoherence. It is self evident that anyone who made political loyalty to President Bush his paramount concern would wish for and work for the success of the President's policies in Iraq. To select and assign incompetent staff to such a critical organization would be an act of supreme disloyalty to him. What's more, it would have required the knowing and willful connivance by a large number of military and career civilian personnel of impeccable reputation. Corroboration of such alleged mischief is non-existent.

On a personal note, I am a retired US Army infantry officer who served on active duty for almost 23 years. My older son was commissioned a US Army officer the summer prior to the establishment of the CPA. Two of my nephews were in the Army at the time, both of whom have since served in the CENTCOM theater – one in Afghanistan and one in Iraq. Officers with whom I served and some of the West Point cadets to whom I taught

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Russian language in the 1980s were commanders on the ground in both campaigns. To suggest without an iota of substantiation that I would betray their trust or willfully endanger them in any way for craven political purposes is beneath contempt. In performing my duties in this critical mission, I attempted to fulfill the words of the oath I took as an Army second lieutenant 42 years ago, "to well and faithfully discharge the duties of the office" in which I was serving.

Abraham Lincoln reportedly once asked a fellow, "If you counted a horse's tail as another leg, how many legs would a horse have?" The fellow responded that in that case, it would probably have five. Lincoln's retort was, "Nope. Ya' see, sayin' so don't make it so." In Washington DC, too often the statement of a political allegation is accepted as proof of the allegation. The DOD-IG must never accept or condone such a standard.

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OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

SPECIAL ASSISTANT

September 29, 2008

MEMORANDUM FOR THE DEPUTY ASSISTANT INSPECTOR GENERAL
(READINESS AND OPERATIONS SUPPORT)

SUBJECT: Response to DOD-IG Draft Report on CPA Hiring Practices

Reference: DOD-IG Memorandum, dated September 15, 2008; subject: Hiring Practices Used To Staff the Iraqi Provisional Authorities [Draft Report] (Project No. D2007-D000LC-0051.000)

Forwarded herewith is the requested response to the referenced document.

Enclosure (1)
As stated

James H. O'Beirne
Special Assistant to the Secretary of Defense
for White House Liaison

cc: Acting General Counsel of the Department of Defense
Secretary of the Army
Under Secretary of Defense for Policy
Under Secretary of Defense for Personnel and Readiness
The Special Assistant to the Secretary of Defense
DOD Director of Administration and Management (DA&M)

Note: Enclosures to the Special Assistant to the Secretary of Defense for White House Liaison comments are not included in the report.

FEDERAL RECYCLING PROGRAM



PRINTED ON RECYCLED PAPER

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1. Sequence of Reporting and Review

This memorandum has been prepared and is submitted in response to a second version of a Draft Report on Hiring Practices Used To Staff the Iraqi Provisional Authorities: *Project No. D2007-D000LC-0051.000*, received in this office on September 16, 2008. A copy of this second version is attached as Enclosure 1.

A lengthy memorandum in response to the first version of the Draft Report, which had been received in this office for review and comment on or about July 23, 2008, was submitted to the Office of the DOD Inspector General on August 15, 2008. A copy of that memorandum is attached to this document as Enclosure 2. A copy of the first version of the Draft Report is attached as Enclosure 3.

The second version of the Draft Report has incorporated some of the corrections and clarifications recommended in the response to the first Draft Report. However, it has ignored others without adequate comment or explanation. For that reason and also because the second version of the Draft Report contains a number of serious new errors and ambiguities, this response is necessary.

2. Lack of Transparency

My memorandum submitted in response to the first version of the Draft Report was prepared with the reasonable understanding on my part that the IG Draft Report represented a comprehensive response to the letter, dated September 19, 2006, from Senators Schumer, Durbin, and Lautenberg to Mr. Thomas Gimble, the Acting DOD Inspector General. That letter had specifically asked for a timely IG investigation of the following three points:

- The appropriateness of designating these [Coalition Provisional Authority] positions as political rather than civil service positions;
- The qualifications of those sent to Iraq to work in the Coalition Provisional Authority; and
- The authority for hiring this large number of personnel as non-civil service designees..."

Only after preparing and submitting, on August 15, 2008, a 18-page response to the first version of the Draft Report was I visited on August 26, 2008 by a delegation of five members of the IG staff, who informed me that there were actually to be two discreet responses to the three Senators. The first version of the Draft Report, intended to be general in nature, was the proposed first of the two responses. The second response, as it was explained to me, would reflect the specifics of an agreement that had been negotiated by the staff of the IG office and the staffs of the three Senators in December 2006, three months after the receipt of the September 19, 2008 letter.

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To my knowledge, none of the DOD officials whose judgments and actions are examined in the first version of the Draft Report and who, therefore, have a vested interest in the accuracy and completeness of the DOD-IG's efforts, had been made aware of this negotiated bifurcation of the DOD-IG response to the Senate. In fact, I gained the very strong impression during the meeting with the five members of the IG team that had my 18-page response not inadvertently addressed in significant detail several of the specifics of the second part of the bifurcated response, I would not have been informed of its existence either.

However, since much of my memorandum did involve commentary on the specifics of the proposed second half of the proposed bifurcated submission, the DOD-IG team leader said at that meeting that I would be given an opportunity to review a copy of it which he had brought with him. His only condition was that I would not be allowed to make or keep a copy of the document. I would have to review it and return to him before he left my office.

I told him that such an arrangement was unsatisfactory, since it envisioned my rapid review, without an opportunity for reflection, of a very important document with five members of the DOD-IG present in the room and the unwelcome pressure that such a scenario implied. I told the team leader, however, that if document security were his concern, I would be willing to come to the DOD-IG office later that same day and take sufficient time to carefully and thoroughly review the document at that location. He agreed in principle, but subsequently suggested that the following morning would be more convenient because of prior DOD-IG commitments for that afternoon. I immediately agreed that the next morning would be fine. However, the following morning the DOD-IG team leader telephoned me and stated that he was withdrawing the offer for me to review the draft document.

Having now received the second version of the Draft Report and having had the opportunity to review it carefully, it seems that the contemplated division of the DOD-IG response into two parts has been abandoned. The second version appears to be the DOD-IG's proposed reunified final response to the Senator's letter of September 19, 2006.

3. The Negotiated Agreement on the Three Questions

The DOD-IG team leader stated during the team visit to my office that in December 2006, the DOD-IG staff had met with the staffs of the three senators and had negotiated a commitment to answer **three** questions. The first two questions are as follows:

- *Question 1: Who was hired?*
- *Question 2: How were personnel recruited and selected?*

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With regard to Question 3, the second version of the Draft Report contains a significant problem. On page 1, in the second paragraph of the subsection entitled Objective, Question 3 is rendered as the following:

- *Question 3: Were skill sets matched to job requirements?*

Later, on Page 15, in the first paragraph of Appendix C. Response to Senate Request, the Question 3 is rendered differently as follows:

- *Question 3: How were skill sets matched to job requirements? [emphasis added]*

And later still, on Page 22, there is a section with the heading:

- *Were Skill Sets Matched to Job Requirements?*

This confusion suggests a serious inattention to detail that is demonstrable at other places throughout the second version of the Draft Report. In fact, **neither** version of Question 3, e.g. (1) "*Were skill sets matched ...?*" or, (2) "*How were skill sets matched...?*" actually addresses the legitimate concern of the three Senators. The agreed-upon question should have been the following:

- *Question 3: Were the skill sets properly matched ...? [Emphasis added.]*

Interestingly, it is this third version, which was not agreed to, that the DOD-IG team paradoxically acknowledges by implication with its refusal to render an opinion on the suitability of the personnel hired.

Setting aside for the moment the imprecision just described, it should be noted that the Question 3 in all its possible forms is actually a redundant rendition of the more comprehensive second question, "*How were personnel recruited and selected?*" The matching of skills to position requirements is a logical subset of the recruitment and selection process.

Nevertheless, for the sake of thoroughness and clarity, let us address both of the versions of Question 3 presented in the second version of the Draft Report as well as the version of Question 3 that should have been, but was not, agreed to. In answer to the first version of the question, "*Were skill sets matched to job requirements?*", unless one is willing to suggest or imply that an utterly random procedure, e.g. a dartboard approach, was used to hire civilians for CPA service, the answer to the first version of Questions 3 is simple and straightforward. Of course skill sets were matched to known requirements. No party to this investigation has made any claim to the contrary. The critical factor, however, is the degree to which the job requirements were known by or available to those doing the matching throughout the recruitment and selection process.

I have precisely described in my response to the first version of the Draft Report, attached as Enclosure 1 to this memorandum, the conditions regarding job requirements information prevailing in the initial days of the CPA and those measures subsequently

Page 1, third
paragraph

Revised, Page 25

Page 31

*Not included in
the comments as
these were
additional audit
information.

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undertaken over the life of the CPA to improve substantially the requirements identification component of the recruitment and selection process. Please examine the subsection entitled, Development of Hiring Activities Over the Tenure of the CPA on pages 9-12 of that earlier memorandum (Enclosure 1).

The second version of the Question 3, namely *How [emphasis added] were skill sets matched to job requirements?*, subsumes the first version. Using Cartesian logic, we may state with certainty that if you can describe how something was done, you have simultaneously proven the fact that it was done. As just mentioned, pages 9-12 of my response to the first version of the Draft Report thoroughly addresses the “How..” question.

The third version (proposed for the first time in this memorandum) of Question 3: “*Were the skill sets properly matched ... ?*” actually goes to the heart of the matter in which the Senators are interested. If the answer to the question is Yes, then virtually the entire brief of criticism regarding CPA recruiting and appointment collapses. If, on the other hand, the answer is No, then the predicate is laid for the assignment of responsibility to those who failed to manage the CPA recruiting enterprise properly.

However, DOD-IG team declines to say either Yes or No. Consequently, the DOD-IG investigation, which was requested by Congress more than two years ago, has failed to produce any opinion whatsoever on the salient matter under review. In defense of this reluctance to state an opinion, even a qualified or limited one, the second version of the Draft Report states the following:

- On Page 1 of the second version of the Draft Report, it states the following:

“... this report does not give an opinion on the qualifications of those hired. Rather, we present the credentials of the individuals filling certain positions.”

- On Page 22, in the section entitled, Were Skills Sets Matched to Job Requirements? It states the following:

“We were unable to answer the question, “Were Skill Sets Matched to Job Requirements?” because adequate documentation was not available. In addition, the conditions in Iraq and the reconstruction effort dictated what position, role, or duty an individual performed there. Thus, the individual’s position description on appointment may not have coincided with the position the individual performed after deployment to Iraq...” [Emphasis added.]

“... The conditions in postwar Iraq dictated staffing needs. Once there, individuals may not have performed the positions to which they were initially appointed. Thus, we were unable to draw an audit conclusion on whether DOD matched the candidate’s skill set to the job requirements.”

*See initial comments of Special Assistant for White House Liaison.

Revised Page 25

*See initial comments of Special Assistant for White House Liaison.

Revised, Page 1

Revised, Page 31

Deleted

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Let us examine the latter point first, namely, *“the individual’s position description on appointment may not have coincided with the position the individual performed after deployment to Iraq. While subsequent on-the-ground transfers may have occurred due to exigencies in Iraq, such developments were totally unrelated to the adequacy of the original skill-matching decisions and had absolutely no connection with hiring actions that relied upon them. It is a logical non sequitur to suggest that one cannot render an opinion on the adequacy of a particular decision that occurred at a specific point in the past based upon available contemporaneous information because a subsequent decision based upon different information occurred at some later time.*

Deleted

Interestingly, the DOD-IG team made no mention of this subsequent-assignment impediment in the first version of the Draft Report. However, in my memorandum responding to that document, I did address the subject of an on-the-ground transfer while refuting one of the specific criticism contained in the Senators’ letter. The letter erroneously alleged that a *“a 24-year old who had no background in finance was charged with opening Baghdad’s stock exchange.”* My response to that allegation follows:

Revised
Appendix C, Pages
23-24

“The phrasing of the criticism in the letter creates the impression that the individual was hired to do a job for which he had neither experience nor skill. If true, that would indeed constitute a serious deficiency in hiring practices. However, it was not true. The individual involved was not hired to open the stock exchange. He was hired as a junior assistant to a senior financial advisor in the CPA headquarters (Baghdad), a position for which his qualifications were entirely satisfactory. However, sometime after he arrived for duty in Baghdad, he was instructed by that senior official to work at the stock exchange. If CPA employees, once in Baghdad, were directed, because of exigencies on the ground, to perform duties other than or in addition to those for which they were hired in Washington, that fact in no way reflects negatively upon the integrity of the recruitment and hiring process.”

What the DOD-IG team has done in the second version of the Draft Report is to turn the logic of the citation above completely on its head. My point was that a subsequent action cannot bias the evaluation of the adequacy of an earlier action. The DOD-IG team contorts this logic to suggest that the very occurrence of a later unrelated action prevents one from even expressing an opinion on the adequacy of an earlier action.

Having dispensed with the latter DOD-IG justification for rendering no opinion, let us consider the former, namely that *““We were unable to answer the question, “Were Skill Sets Matched to Job Requirements?” because adequate documentation was not available. There are two serious defects with this assertion.*

Revised, Page 31

- It propounds an unreasonable conclusion that relies upon an unreasonable standard. Restated, the DOD-IG position is that we cannot say anything about the adequacy of the skills matching process because we do not know everything about the skills matching process. This is an extraordinary posture for an organization whose

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principal activity is investigations. Is there any such thing as a perfect investigation or an investigation where all relevant facts are known with certainty?

- It also implies that written documentation is the only medium by which a thing can be known, discovered, or described with any specificity. This is, likewise, a cramped view of information gathering, one that it is surprising to encounter in activities conducted by DOD-IG personnel.

The second version of the Draft Report actually undercuts its own declaration regarding the adequacy of documentation. It does so by the presentation of data scattered throughout the report which, when assembled, reconciled, and rendered in a concise and coherent fashion, actually shows that there was plenty of evidence upon which to base, at the very minimum, a qualified assessment of the central question of interest to the three Senators. For example, the following table appears on page 16:

Table C-2 Personnel Records Received

Type of Document	Appointee		Total
	Senior-level	Other	
Position Description	18	39	57
Resume	59	272	331
Appointment Memorandum	44	220	264
Standard Form 50	66	300	366

Six pages later, on page 22, the second paragraph in the section entitled, Were Skills Sets Matched to Job Requirements? states the following:

"The appointment memoranda identified the recommended candidate, the position duties, and the qualifications or skill sets necessary for that position. In addition, the memoranda described why the recommended candidate qualified for the position and the proposed salary." [Emphasis added.]

Therefore, by its own reporting the DOD-IG had received for its review and evaluation 67% (44 of 66) of the appointment memoranda on senior-level appointees and 73% (220 of 300) of the appointment memoranda on the remaining non-senior civilian personnel for a total of 72% (264 of 366) for both categories combined. It is simply unreasonable on its face to assert that a useful, if qualified, evaluation of the adequacy of the skills matching process could not have been rendered.

4. Lack of Editorial Clarity and Purpose

The text of the second version of the Draft Report gives every indication of having been written by multiple authors rather than a single author. It suffers from all the

Revised, Page 11

Revised
Appendix D, Pages
25-32

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editorial defects of such an approach. The report lacks narrative clarity and consistency as well as a coherent presentation of data. For example, on pages 19-21, in a section entitled Candidate Examples of Recruiting and Selection, the report discusses the seven positions listed below with the following introductory remarks, “*These examples provide a mix of positions from senior-level to nonsenior-level appointments and summarize candidates’ credentials*”:

- Senior Advisor to the Iraqi Health Ministry (144 words) *
- Senior Advisor to the Iraqi Ministry of Youth and Sport (157 words) *
- Senior Advisor to the Iraqi Ministry of Interior (130 words)*
- Senior Advisor to the Iraqi Ministry of Higher Education and Scientific Research (153 words)*
- Staff Assistants for International Donor Conference ** (254 words)*
- Privatization Associate (158 words)*
- Transmission and Distribution Engineer (110 words)*

* The number in the parenthesis reflects the word count in the narrative description of each position.
** All the other positions listed were individual positions. The original request for staff assistants for the International Donor Conference called for **ten** individuals.

However, information on an additional 33 positions is also presented on pages 23-27 in the tabular format below with these introductory remarks,

“*Table C-3 [Credentials of Candidates Appointed to Senior Positions] provides examples of credentials of candidates that DOD appointed top senior-level positions with the CPA;*

Table C-3. Credentials of Candidates Appointed to Senior-Level Positions
(Extract example)

Position Title	Dates in Position	Candidate Credentials From Resume
Deputy Senior Advisor the Iraqi Ministry of Culture	September 10, 2003 through June 20, 2004	Served as a professor specializing in art of the ancient Near East. Had a bachelor’s degree in art and archeology and a master’s degree and doctorate in art history

Pages 29-31

Deleted

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Table C-4 [*Characteristics of Candidates Appointed to Nonsenior Positions*] provides examples of the characteristics of all other positions, such as job description, salary range, and educational level of candidates selected. We randomly selected these examples."

Table C-4. Characteristics of Candidates Appointed to Nonsenior Positions
(Extract example)

Position	Number Hired	Salary Range	Job Description	Educational Level
Office Manager	8	\$23,621 to \$124,783	Responsible for day-to-day management and coordination of the senior advisor's administrative functions, which included development of internal guidelines, procedures, and Protocol; technical supervision of office staff; and correspondence control	1 college student 7 bachelor's degrees 2 master' degrees

Deleted

There is no indication or explanation why the first seven positions received lengthier narrative treatment and the other 33 did not. There appears no outwardly obvious reason for aggregating them in that particular way. But as you will see in Section 7 later in this response, the lengthier narrative presentations are fundamentally misleading in several important recruitments.

Appendix D. Involvement of Key Offices on Page 29 of the second version of the Draft Report is presumably intended to support the Report narrative by presenting a helpful visual rendition of the recruitment and hiring process. I believe that it fundamentally fails to achieve that goal.

Appendix E, Page 33

5. Erroneous Information and Misstatements of Fact:

- The opening paragraph of the second version of the Draft Report the on Page "i" completely misstates the Senators' first major concern:

"The report addresses the Senators' concern over the designation of appointments as civil service versus political, and the authority for making the appointments." [Emphasis added.]

Revised, Page i, opening paragraph

The Senators had exactly the opposite concern, as stated in their letter, namely

"...serious concerns about the Department's designation of many of these position as political appointments rather than civil services [sic] slots..." [Emphasis added.]

Page 19

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- The third paragraph on Page 1 states,

"In addition, the report answers the questions posed by Senate staffers. Our responses to these questions are in Appendix C.

But the very next sentence states the following:

"However, this report does not give an opinion on the qualifications of those hired. Rather, we present the credentials of individuals filling certain positions."

The first sentence asserts that the DOD-IG has answered the three questions. But the second sentence immediately contradicts that assertion and admits that it has not, in fact, answered the third question.

- The last sentence on page 3 states the following:

"The employment and compensation authority established in 5 U.S.C. 3394 and 3161 was appropriate and well suited for staffing temporary interagency organizations such as ORHA and CPA."

Thus, the DOD-IG is commending Congress for the adequacy of its efforts in creating a suitable legal mechanism for staffing temporary interagency organizations. Presumably what the DOD-IG meant and should have stated was the following:

DOD officials properly employed the provisions of 5 U.S.C. 3394 and 3161 to staff ORHA and CPA, both of which were temporary interagency organizations."

- The first paragraph on Page 4, in the subsection entitled Staffing Authority, and the first sentence of the fifth paragraph on Page 18 state respectively,

"DoD relied largely on senior DoD officials and on the CPA Administrator and his senior advisory staff."

"The CPA recruiting team leader stated they collected résumés submitted by candidates or received names of potential candidates from CPA officials or senior DoD officials".

These imprecise formulations create the mistaken impression that the CPA Administrator and his senior staff were something other than senior DOD officials. They were clearly senior DOD officials. I noted this editorial anomaly in my memorandum submitted in response to the first version of the Draft Report. However, the second version persists without explanation in this faulty usage.

- The first paragraph, in the subsection entitled Staffing Authority, on Page 20, describes a request for 10 junior staff for a six week assignment in support of preparations for the International Donors' Conference in Madrid as follows:

Page 1, paragraph
4

Deleted

Page 3, paragraph 2

Page 5, paragraph
2

Page 28, paragraph
3

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"The Minister of Planning made the staffing request to the WHLO Special Assistant."

Revised, Page 7

Once again, a lack of attention to detail permits the misidentification of the Senior Advisor to the Iraqi Ministry of Planning, a senior American CPA employee, with the Minister of Planning, a senior Iraqi official.

- The second version of the Draft Report presents contradictory information on the subject of the CPA Personnel Database without explaining how it resolves or attempts to resolve the contradictions. For example:

- The first sentence of the fourth paragraph in the subsection entitled Appendix A. Scope and Methodology on Page 9 states:

"ORHA and CPA did not maintain a database to track their personnel".

Revised, Page 17

- However, the first paragraph in the subsection entitled Who Was Hired?, on Page 15, however, states the following"

*"According to the Special Assistant for the White House Liaison Office, DoD developed a database of CPA personnel, which was functioning by late January 2004. However, DoD was unable to provide the database. *"*

Pages 25-26

[Editorial note: "...to the DOD-IG team 2.5 years after the disestablishment of the CPA].*

*Not included because it is additional audit information.

Since the DOD-IG team has failed to clarify this contradiction regarding the existence of a computer-based, relational, CPA personnel database, I have taken measures to contact those DOD officials, both current and former, who have firsthand knowledge regarding its development and usage. Submitted with this memorandum responding to the second version of the Draft Report are the following documentary items:

*Not included because it is additional audit information.

- Identity-redacted e-mail trail tracking the development, testing, and implementation of the computer-based, relational, CPA personnel database (Enclosure 4.1)
- Identity-redacted CPA Weekly Personnel Reports from January 7, 2004 and February 20, 2004. The former provides a detailed status of the database at Item #10, and the latter at an endnote provides the web address of the database, its username, and password. (Enclosure 4.2)
- DOD and/or Army financial records tracking the costs of the development and delivery of the CPA database (Enclosure 4.3)
- Identity-redacted statement from the DOD career official who was responsible for the database development project; (Enclosure 4.4)

*Not included because it is additional audit information.

*Not included because it is additional audit information.

*Not included because it is additional audit information.

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- Identity-redacted statement from the CPA-Pentagon chief of staff, who was responsible for employing and maintaining the CPA database; (Enclosure 4.5)

Hopefully, these additional materials will help clarify the lingering ambiguity surrounding the question of whether a Web-based, relational CPA personnel database did or did not exist in 2004 and was used by CPA staff. In fact, it is absolutely essential that this matter be settled definitively because on Page 10, the second version of the Draft Report, in the subsection section entitled Review of Internal Controls, states,

"We did not identify any material internal control weakness associated with the hiring of civilian personnel to staff ORHA and CPA as defined by DoD Instruction 5010.40, 'Managers' Internal Control Program Procedures,' January 4, 2006"

Revised, Page 3

If the Department of Army at the request of the OSD staff spent **\$166,000** for the development of a web-based relational database for CPA to manage its personnel recruiting, hiring, tracking, and reporting, and that database was not used, then a substantial amount of government resources have been wasted, which must constitute a serious internal control violation of some sort. Certainly, such a situation merits DOD-IG concern. The second version of the Draft Report evinces no attention to this serious resource question that I can find.

- The first sentence on Page 18 which begins at the bottom of Page 17, states as follows:

"According to the WHLO Special Assistant, he initially provided only administrative support for processing the first six ORHA appointments. However, when the Special Assistant to the Secretary of Defense for Public Affairs asked him to assist in identifying candidates for senior advisor positions as more staff were needed in Baghdad, he became the focal point for coordinating the identification and recruitment of all civilian candidates hired." [Emphasis added.]

Revised, Page 7

There is no such position on the OSD Staff as Special Assistant to the Secretary of Defense for Public Affairs. The DOD-IG team misidentifies the individual who served as The Special Assistant to the Secretary of Defense, whose relative position in other cabinet departments is called the Chief of Staff. It was The Special Assistant to the Secretary who asked for my assistance in circa mid-March 2003.

- The eighth line in the subsection entitled Senior Advisor to the Iraqi Ministry of Interior on Page 20 states as follows:

"... We found no evidence that DoD interviewed the candidate."

Revised, Pages
29-31

The DOD-IG Team may not have found any evidence, but the evidence was and still is available. Rendered below is an e-mail extract, which was among the thousands of

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pages of my e-mail archives which were provided both to the House Committee on Oversight and Government Reform and to the DOD-IG.

-----Original Message-----

From: CPA Pentagon Chief of Staff, Civ, OSD
Sent: Tuesday, September 23, 2003 8:25 PM
To: CPA Baghdad staff
Cc: Other DOD addressees; O'Beirne, Jim, CIV, OSD
Subject: RE: Min. of Interior - police trainers

Future Senior Advisor to the Iraqi Ministry of the Interior is coming in to see us on Thursday [Ed Note: September 25, 2003] to begin the process. He's retiring from DEA, so we'll have to hire him as a 3161. I'll let you know his deployment date as soon as I know.

DOD-IG personnel never asked me whether I interviewed this individual, which I and a senior colleague of mine did on or about September 25, 2003. Statements to that effect are attached to this memorandum at Enclosure 5. In addition, the CPA Pentagon Chief of Staff, also a senior DOD official, interviewed him the same day.

- The eighth line in the subsection entitled Senior Advisor to the Iraqi Ministry of Higher Education and Scientific Research on Page 20 states as follows:

"We found no evidence that anyone interviewed this candidate for the position".

The following redacted e-mail indicates that the individual involved was well and personally known to and recommended by the Secretary of Defense

From: O'Beirne, Jim, CIV, OSD
Sent: Tuesday, July 08, 2003 5:04 PM
To: CPA Baghdad staff (E-mail)
Subject: Future Senior Advisor to the Iraqi Ministry of Higher Education

Name redacted:

Please tell Ambassador CPA Administrator that Secretary of Defense asked specifically by name about Future Senior Advisor to the Iraqi Ministry of Higher Education for higher education. I told him that we had proposed him to CPA for that ministry. He told me to make sure that CPA (read: CPA Administrator and his Chief of Staff) knew of his interest. I said I would do so. I consider his remarks a strong statement of support for Future Senior Advisor to the Iraqi Ministry of Higher Education

Jim O'Beirne

In addition, I interviewed him at length in my office along with my senior colleague on August 21, 2003. Statements affirming that fact are attached to his memorandum at Enclosure 5.

- Two of the bullets at the bottom of Page 9 in the subsection entitled Appendix A. Scope and Methodology present the following information:

Revised, Pages
27-31

Page 17, bullets 3
& 5

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- A list of personnel from the Army Personnel Office that identified individuals assigned to ORHA and CPA between October 2003 and June 2004;
- Results of a data query of a DoD database called Support Our Friends in Iraq and Afghanistan (SOFIA) to identify individuals who applied and were hired for positions listed in SOFIA between April 2003 and June 2004;

Revised, Page 17

Revised, Pages
17-18

The dates in the bullets are in error. In the case of the first bullet, the Deputy Secretary of Defense had dissolved ORHA on June 16, 2003. In the case of the second bullet, the SOFIA website was not established until mid October 2003.

6. Selective Redaction of Identifying Information:

A DOD-IG official informed me at the time I submitted my response memorandum to the first version of the Draft Report on August 15, 2008 that the Final Report, when issued, would redact the names of individuals involved in the recruitment and selection process whether as participants, candidates, or appointees. Accordingly, I immediately revised that submission by redacting the names of all individuals to whom I referred with the exception of the three Senators and the author of the book upon which the Senators' concerns were largely based.

While there may be no rule that would require the practice, it does seem reasonable and consistent that the same redaction logic should also apply to organizations and administrations with which these participants, candidates, or appointees have been associated. At a minimum, if redaction is applied to the identities of some organizations, the policy should then be applied evenhandedly to others. So, for example, if the second version of the Draft Report describes the following two individuals as described:

Position Title: Senior Policy Advisor for Defense Matters
Dates in Position: May 12 through September 6, 2003
Candidate Credentials: Served as a partner at a law firm and as Under Secretary of Defense for Policy for two Secretaries of Defense. Had a bachelor's, master's and law degrees.
Redacted Information: The name of the individual, the law firm and the Administration, in this case that of President Clinton.

Deleted

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Position Title: Senior Advisor to the Iraq Ministry of Planning
Dates in Position: May 21 through November 4, 2003
Candidate Credentials: Served as Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L). Served as a director of international programs and as director of technology and business development. Had a bachelor's degree in marine engineering and a master's in political science and international affairs. Served in the Navy as the commander of two submarine groups and Chief of Staff for the Seventh Fleet.

Redacted Information: The name of the individual and the Administration, in this case that of President Clinton.

Deleted

To be consistent and evenhanded, the second version of the Draft Report should have also redacted the name of the Heritage Foundation, cited on page 21, as described below:

Position Title: Staff Assistants for the International Donors Conference
Recruiting Description: *"The Minister of Planning [sic] made the staffing request to the WHLO Special Assistant.... On September 3, 2003, the WHLO Special Assistant contacted the Heritage Foundation...."*

Redacted Information: The Senior Advisor for the Iraqi Ministry of Planning had been the Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L) in the Clinton Administration.

Un-redacted Information: The Heritage Foundation should have been described as a 501(c)(3) non-profit organization - a research and educational institute (think tank) whose mission is to formulate and promote conservative public policies based on the principles of free enterprise, limited government, individual freedom, traditional American values, and a strong national defense.

Page 30, bullet 2

Anomalies of discretion in matters of redaction, such as these, cast a shadow over the impartiality of the investigation.

7. Unexplained Suppression of Critical Information

In addition to the foregoing discussions regarding the various shortcomings noted in the second version of the Draft Report, there is one deficiency of such singular consequence that it casts a shadow certainly over the validity of the second version of the Draft Report, if not over the entire investigation. As a consequence, it may also do material damage to the integrity and independent standing of the Office of the DOD Inspector General.

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The deficiency deals with the serial suppression of information in the second version of the Draft Report with the probable result that those, i.e. the three Senators and other interested parties, who would rely on the Final Report for an unbiased explanation of the matters under investigation would seriously misapprehend the adequacy of several important recruitment and selection actions at DOD and might improperly credit some of the false allegations published in the Chandrasekaran book, Imperial Life in the Emerald City: Inside Iraq's Green Zone.

To illustrate the extent of the problem, let us review several of the positions which the second version of the Draft Report singles out for extended narrative description. These positions have already been mentioned in a separate context in Paragraph 4 of this memorandum, entitled Lack of Editorial Clarity:

Senior Advisor to the Iraqi Health Ministry
Senior Advisor to the Iraqi Ministry of Youth and Sport
Senior Advisor to the Iraqi Ministry of Interior
Senior Advisor to the Iraqi Ministry of Higher Education and Scientific Research

In the description of the credentials of the four individuals appointed to these positions, critical information of essential importance to a proper understanding of their fitness for the positions to which they were appointed has been inexplicably withheld from the second version of the Draft Report in spite of the fact that the information was central to the credibility of their credentials and was readily available to the DOD-IG team. For example:

- **Senior Advisor to the Iraqi Health Ministry**

The second version of the Draft Report states the following on page 19:

"... The Deputy Secretary of Defense solicited a referral for the CPA senior advisor to the Iraqi Ministry of Health from the Governor of Michigan The candidate's credentials included being president of a consulting group that provided services in business development, health policy, media relations, and government relations. The candidate was also the director of a State's community health department. This candidate had a bachelor's degree in sociology and economics and a master's degree in social work." [Emphasis added.]

The following information on the candidate's credentials, although readily available to the DOD-IG Team, was **omitted**. It is presented here in reverse chronological order (most recent first):

Director, Michigan Department of Community Health * (April 1996-January 1, 2003)

Managed a budget of \$9.2 billion and a department has 4,889 employees. A cabinet level position reporting directly to the Governor.

(continued on the following page)

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Director (Acting), Michigan Department of Public Health (June, 1995-April, 1996)

Managed a budget of \$688 million and 1500 employees. The Michigan Department of Public Health contracted with 50 local public health offices to provide services

Director, Michigan Department of Mental Health (January 1991-April 1996)

Managed a budget of \$1.5 billion and 6,500 employees, and contracted with 55 community mental health boards to provide services to over 170,000 persons

* In April 1996, the Department of Community Health was established by the Governor of Michigan by combining the Departments of Mental Health and Public Health. In addition, the Medical Services Administration (Medicaid) division of the Michigan Family Independence Agency became part of the new department as well as the Michigan Drug Control Policy office. Recently, the Office of Services to the Aging became part of the Department of Community Health along with the Crime Victims Services Commission.

• **Senior Advisor to the Iraqi Ministry of Youth and Sport**

The second version of the Draft Report states the following on page 20:

"...His credentials included working as a consultant to a college providing scholarships to students from postwar areas to educate them to assist in reconstruction and humanitarian assistance when they returned to their countries. The candidate had a bachelor's degree, a master's degree in business administration, and a doctorate in philosophy and spoke Arabic, English, French, German, and Albanian." [Emphasis added.]*

* The second version of the Draft Report erroneously reports the candidate's academic credentials. They are as follows:

Bachelor of Science: Computer Science and Economics, University of Pittsburgh, 1981
Master of Bus. Administration: International Business & Econ. Develop., Sul Ross State Univ., 1984
Master of Education: Policy, Planning and Evaluation; University of Pittsburgh, 1996
Doctor of Philosophy: Administrative and Policy Studies, University of Pittsburgh, 1998

The following information on the candidate's credentials, although readily available to the DOD-IG Team, was **omitted**. It is presented here in reverse chronological order (most recent first):

Consultant on Iraq, United Nations Children's Fund (UNICEF), Amman, Jordan, (February-March 2003)

Consultant for UNICEF Commission on Youth in Youth and Education Preparedness Planning for possible crisis in Iraq; assessed the educational needs in Iraq; mapped the regional interagency readiness and resources to support future educational programs; planning for future support from neighboring countries Jordan, Syria, Turkey, Iran, and Kuwait.

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Senior Advisor to the new Provisional Government, United Nations Mission in Kosovo, (UNMIK), Pristina, Kosovo, (February 2002-January 2003)

Senior Advisor with the United Nations (UN) Department of Peace Keeping Operations (DPKO) in UNMIK and to the PIO (Principle International Officer), and to the Minister of Culture Youth Sports (CYS), and to the Prime Minister of Kosovo - of the new Provisional Institutions of Self-Government (PISG) in Kosovo;

Head/Minister, UNMIK, Pristina, Kosovo, (December 2000-February 2002)

Head/Minister of the Department/Ministry of Youth; one of the 20 Departments/Ministries that made up the UN Department of Peace Keeping Operations (DPKO) Interim Administration in Kosovo; developed and managed a functional Youth Department/Ministry that transferred administrative responsibilities to the new Kosovar officers after the national elections;

Deputy Co-Head/Co-Minister, UNMIK, Pristina, Kosovo, (May 2000-December 2000)

Supported the Co-Head/Co-Minister in managing and building a functional youth Department/Ministry

Program Director, United Nations Children's Fund (UNICEF), Pristina, Kosovo, (September 1999-May 2000)

Seconded to UNICEF as Youth Program Coordinator in Kosovo Conducted the first-ever research on youth and youth groups in Kosovo, which helped to establish non-formal youth education and extramural youth activity centers and clubs in Kosovo.

Program Officer/Coordinator, United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Education, Hamburg, Germany (August 1999-May 2000)

Coordinated and provided support to UNESCO Institute for Education in the area of development of non-formal educational resource materials for use with youth in countries in post-crisis transition.

- **Senior Advisor to the Iraqi Ministry of Interior**

The second version of the Draft Report states the following on page 20:

*"...The candidate was retired from Federal service at the Drug Enforcement Administration and held a bachelor's degree in zoology." **

* In addition to a bachelor's degree, he also completed various executive and leadership programs at Boston University, Harvard University, the Brookings Institute, the National Executive Institute, and the Australian Institute of Police Management.

The following information on the candidate's credentials, although readily available to the DOD-IG Team, was **omitted**. It is presented here in reverse chronological order (most recent first):

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United States Drug Enforcement Administration (DEA) (1972-2003)

Supervised and set policy for DEA's intelligence program and its analysts worldwide-preeminent in law enforcement and criminal intelligence circles. Over the years, he led many operational aspects of the agency. His responsibilities included special operations, auditing and compliance, criminal intelligence, law enforcement, investigations, training, recruitment, and policy development. He occupied the following positions:

Assistant Administrator for Intelligence *
Special Agent in Charge of the Seattle Field Division
Associate Special Agent in Charge of the Houston Field Division
Executive Assistant to the Deputy Administrator
Executive Assistant to the Career Board
Head of DEA's Office of Inspections
Manager of El Paso, San Antonio, and Houston Field Divisions
Selected for Operation Snowcap in South America
Supervisor the DEA's jungle suppression activities in Bolivia.

* DEA has four assistant administrators, one in charge of each of the following four areas: Human Resources, Intelligence, Operations, and Operational Support. These mirror the military areas of G-1, G-2, G-3, and G-4. The equivalent of his highest position expressed in military terminology would be the Deputy Chief of Staff for Intelligence. This individual was then at the time of his retirement the third senior official of the DEA.

• **Senior Advisor to the Iraqi Ministry of Higher Education & Scientific Research**

The second version of the Draft Report states the following on page 20:

*"...The candidate's credentials included being a senior research fellow at a liberal arts college and the president of a consulting company specializing in curricular renewal in the liberal arts." * [Emphasis added.]*

The following information on the candidate's credentials, although readily available to the DOD-IG Team, was **omitted**. It is presented here in reverse chronological order (most recent first):

CURRENT PROFESSIONAL ACTIVITY:

Senior Research Fellow in the Liberal Arts, Wabash College, Crawfordsville IN 47933.

At Wabash I am engaged in writing two books. One, the nature and use of the liberal arts in contemporary America; the second, on the Founders' understanding of America, for collegiate and pre-collegiate audiences.

President, Name Redacted & Associates (**&A)

****&A** is a consulting company, specializing in curricular renewal in the liberal arts, accreditation assistance, and long range planning for colleges, foundations and schools.

President, The Classics Institute

An organization that conducts reading and discussion seminars on classical texts and the great books both here and abroad.

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George Washington Distinguished Professor of the Society of the Cincinnati, Washington DC, (1998-2002)

PREVIOUS EXPERIENCE

1989 – 2000: President, St John's College, Santa Fe, New Mexico

St. John's is a small, classical liberal arts college in the great books tradition. With its sister campus in Annapolis, it is the third oldest college in America.

1982 – 1989: Assistant, Deputy and Acting Chairman of the National Endowment for the Humanities (NEH), Washington, DC

The NEH is a federal funding agency in support of the humanities and humanities education. During my tenure as both administrative head and policy head, it had an average annual budget of approximately \$140 million and a staff of 225.

1971 – 1982: Multiple teaching assignments

Visiting Lecturer, University of Toronto

Assistant Professor, Kenyon College

Visiting Associate Professor, Duke University Projects Director and Fellow, The National Humanities Center, Research Triangle Park, North Carolina

Visiting Faculty, The New School, New York City

- Interestingly, one of the most important of the CPA senior advisory posts appears neither in the list of seven positions described at length nor in the tables listing the additional 33 positions in Section 4, Lack of Editorial Clarity and Purpose above. The Director of Economic Affairs was a super-ministerial post to which the Senior Advisors to the Ministries of Agriculture, Banking, Environment, Finance, and Labor and Social Affairs were responsible. The individual who occupied that position in 2003 had the following credentials:

Director of Economic Affairs – Name redacted

President of Michigan State University;

former Head of United States Agency for International Development (USAID);

former Chairman of the Board of the Overseas Private Investment Corporation (OPIC);

former Deputy Secretary of the U.S. Treasury Department

This information was known to the DOD-IG Team, but for some unexplained reason, it was not included.

8. Timeliness of the Investigation and the Submission of the Final Report

The final sentence in the letter, dated September 19, 2006, from the three Senators to the DOD-IG requesting an investigation of CPA staffing reads as follows:

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"On a matter of this import, we trust that we will see the results of your investigation as quickly as possible."

By any reasonable standard, this investigation has failed to proceed with visible evidence of dispatch or a sense of urgency. In fact by the DOD-IG's own reporting on Page 15 of the second version of the Draft Report, the DOD-IG staff did not even clarify its own understanding of the investigatory task at hand until meeting with the staffs of the three Senators in December 2006, some three months after receiving the letter with the specific request for results "as quickly as possible", and did not begin its investigation until a month after that in January 2007. Twenty-one months have elapsed since that time.

9. Conclusions

I undertook a careful review of both the first and second versions of the Draft Report that summarized the DOD-IG investigation of Hiring Practices Used To Staff the Iraqi Provisional Authorities. I did so in order to assist the staff of the Office of the DOD-IG in providing the most comprehensive and responsive report to the three Senators whose letter of September 19, 2006 initiated the investigation. Both my earlier response to the first version, submitted on August 15, 2008, and this response to the second version submitted on this date, September 29, 2008, have been my good faith efforts in this regard, notwithstanding my firmly held belief that the Senators' actual purpose in asking for the investigation was particularly partisan in intent.

With complete understanding that the DOD-IG could never directly corroborate my view on that matter, I fully expected that a thoroughly competent and carefully evenhanded DOD-IG investigation and final report would accomplish the same end: that is, to demonstrate persuasively that the staffing of the CPA was conducted without partisan taint, in accordance with proper management practices and all applicable law and regulation, in support of the needs of the Department of Defense.

However, at the conclusion of this review of the second version of the Draft Report, I have come to a clear and opposite conclusion. It is my best judgment that second version of the Draft Report is fatally deficient, frankly as was the first, being laced through with a consistent admixture of factual errors and inaccuracies. In addition, its narrative is muddled and its editorial presentation is substandard. This would be a harsh enough assessment, if it addressed the totality of the problems noted. For, it would only reflect upon the competence of the DOD-IG, a matter of no small import.

But there is more disturbing evidence that both versions of the Draft Report have been written with a bias in the favor of keeping open the possibility that there is at least some merit in the Senator's concerns. If this is true, and I believe I can demonstrate a strong argument that it is, then the very integrity of the DOD-IG is in jeopardy.

There are several indications of this possible malfeasance, all of which have been addressed in the earlier sections of this memorandum. But a recapitulation is in order in

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light of the serious charge that I am making in this conclusion. I believe that the following points are serious indications of an integrity problem.

- DOD-IG refused to present even a qualified opinion on the adequacy of the professional credentials and skills of those hired to serve in CPA. Both explanations that the DOD-IG offers to defend its inaction are unsustainable:
 - DOD-IG stated that it did not have sufficient personnel records to make any observation whatsoever, either favorable or unfavorable, regarding the skills match question. However, by its own reporting, the DOD-IG had substantial information on 72% (264 of 366 individuals) of those hired. It is simply unreasonable on its face to assert that a useful, if qualified, evaluation of the adequacy of the skills matching process could not have been rendered.
 - DOD-IG stated that *“the individual’s position description on appointment may not have coincided with the position the individual performed after deployment to Iraq.* It is a logical *non sequitur* to suggest that one cannot render an opinion on the adequacy of a particular decision that occurred at a specific point in the past based upon available contemporaneous information because a subsequent decision based upon different information occurred at some later time. This particular “justification” convinces me that the DOD-IG is grasping at any straw that will allow it not to render an opinion on the skills match question.
- DOD-IG resists by inaction an even easier task, namely to identify any individual at all about whose credentials there may have been some question. Surely in examining substantial amounts of information on 264 of the 366 civilians hired, there must have been an opportunity to question someone’s credentials and suitability. Of course, the DOD-IG stated that it could not find one, then the matter of skills matching would be moot.
- I believe that the reason that the DOD-IG continues to resist rendering any opinion on qualification was the one against which I cautioned in my response to the first version of the Draft Report which I quote below:

“Even allowing for the difficulties described elsewhere in the report regarding incomplete documentation, by the report’s own accounting, there were certainly more than enough personnel files available upon which to form an opinion on the general validity of the criticism. But the Draft Report is completely silent on this critical point. Such silence invites confusion. Some may argue that the report’s silence allows the criticism to stand unchallenged; others might hold that the report’s silence suggests that no evidence was found to support the criticism. Since the purpose of the investigation was in part to identify deficiencies and shortcomings, the latter interpretation is the more logical. Nevertheless, such ambiguity can only undercut the credibility of a significant DOD-IG investigatory effort that stretches back almost two years. [Emphasis added.]

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- Instead, the DOD-IG presents without convincing purpose a large body of information, both in narrative and tabular forms, that deals with the skills of CPA personnel and the jobs (at least by title) they performed. Is the DOD-IG inviting the readers of its Final Report to come to their own conclusions about the skills-match question when the DOD-IG would not do so? What purpose is served by that? Who would benefit?

Deleted

- DOD-IG has taken more than two years, employing a team of 11 people to accomplish definitively only one of its goals; namely, to state without equivocation that *"The report concludes that none of the appointments of newly hired civilians were political or Schedule C appointments."* Candidly, that fact could have been established on the first day of the investigation with a phone call or an office call upon the DOD Director of Administration and Management. The remainder of the investigation has produced a partial list of individuals who were assigned to CPA during its existence from May 2003 to June 2004. Other than that list, the investigation has produced little else useful other than the exhortation that DOD and its components should be better prepared the next time it does something like this. As the DOD-IG has the responsibility for encouraging improved management practices throughout the Department, it is hard not to consider this entire undertaking as a very negative object lesson. At the very minimum, the DOD-IG should be required to determine and acknowledge the dollar amount of DOD resources that have been consumed by this effort over the last two years.

Page 1

- The timing of the issuance of the report is also suspect, when considered with all the other indicators suggesting a lack of impartiality. The original letter requested the investigation in September 2006 seven weeks before a hotly contested off-year election. Now, five weeks before a hotly contested Presidential election, the DOD-IG is about to issue a Final report, which in its current configuration, will provide no closure regarding one of the two central issues of the investigation and regarding which there have been a large number of unsubstantiated partisan attacks against the present Administration in the past. It is easy to see that the ambiguity of taking "no position" on the skills match question will be contorted for partisan political advantage.

- Perhaps the most egregious example of a lack of evenhandedness is addressed in numbered section 7 above with the undeniable suppression of essential information that demonstrates beyond question the fitness of the personnel in question.

- The same mindset is demonstrated, if a bit more discreetly, in numbered section 6 with the selective redaction of information which conceals political affiliations of some individuals but not of others.

- The last issue deals with the CPA Personnel Database whose existence the DOD-IG has consistently called into question in both the first and second versions of the report. If the database existed, which it did, and was actually used as a management tool, which it was, in conjunction with the Army position description database and the SOFIA website, upon which specific CPA positions supported by detailed position descriptions were advertised to the public on the Internet, then it becomes even more difficult to attack the skills matching activities of the CPA recruiting and hiring process. The DOD-IG

Special Assistant to the Secretary of Defense for White House Liaison Comments on the Revised Draft Report

showed little interest in information about the development and implementation of the database and to my knowledge asked no questions about the considerable monetary cost to the Army for its development.

In light of the foregoing issues, I have lost confidence in the competence and the impartiality of the DOD-IG in the matter of this investigation, and under separate cover, I will recommend to the Secretary of Defense that the DOD Acting Inspector General, Mr. Gordon Heddell take over direct supervision of this matter at the first possible opportunity.

If Mr. Heddell must recuse himself because of my recent interaction with him during the personnel actions which brought him from the Department of Labor to the Department of Defense, then I will recommend to the Secretary that he submit this entire matter to the Integrity Committee of the President's Council on Integrity and Efficiency (PCIE) for review and necessary action.



Inspector General Department *of* Defense

